

The complaint

Mr L complains about negative information recorded on his credit file with Experian Limited.

What happened

A business I'll refer to as P is recording a default on Mr L's credit file in relation to a closed credit card. The original debt came about by way of a credit card agreement Mr L held with another business that was later sold to P.

Earlier this year, Mr L asked Experian to remove the default from his credit file and explained he'd never held a credit card with P. Experian raised a dispute with P and asked it for its comments. P responded to explain it had purchased the credit card debt from a business I'll refer to as B in May 2023, after it had been closed at default in April 2023. P didn't provide permission for Experian to remove its entry on Mr L's credit file.

Mr L complained but Experian confirmed its position was correct and didn't remove the default from his credit file. Mr L went on to refer his complaint to this service and explained that he thought the default should be removed on the basis that the transfer of the credit card debt from B to P hadn't been completed in line with the Law of Property Act 1989.

An investigator considered Mr L's complaint but didn't agree that Experian had made a mistake or acted unfairly by reporting the account from P on his credit file. Mr L asked to appeal and said that he was concerned that the debt with P hadn't been proven and that he thought it was unlawful for the default to be recorded on his credit file. Mr L also explained his concerns regarding the proof of debt, as per the Consumer Credit Act. Mr L added that Financial Conduct Authority (FCA) guidelines advise that disputed debts should not be reported to the credit reference agencies. As Mr L asked to appeal, his complaint has been passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can see Mr L has raised various arguments about the legitimacy of the transfer of his credit card debt from B to P, including his view that the process followed wasn't in line with the Law Property Act 1989. I've noted Mr L's arguments, including his desire to see the full deed of assignment. But those issues aren't something that Experian is party to as it had no involvement in the transfer of the account to P. In this decision, I'm only looking at whether Experian has acted fairly by recording the default entry recorded by P and whether it took reasonable action when Mr L raised concerns about it. I'm not going to comment on the circumstances of the transfer of the debt between B and P which is a matter for those businesses.

Mr L has explained that Experian is required to ensure the information on his credit file is accurate and fair, in line with FCA guidelines. But that doesn't mean Experian has to delete P's entry solely on the basis that Mr L disputes it. As our investigator said, Experian isn't the

data owner in terms of the account and can only remove or amend the information if P gives its permission. When a consumer disputes the validity of an entry, the credit reference agency is required to raise a dispute with the reporting business. I can see that Experian took that step by contacting P after Mr L raised his concerns.

P's response was clear and provided a lot of details about the outstanding debt it had acquired from B. The information included the balance, date the credit card was opened, default date and amount along with various other details including the name of the original creditor. P's response didn't provide permission for Experian to remove the entry from Mr L's credit file. But I can see it did provide contact details Mr L could use for P to discuss the account and entry further. So I'm satisfied that whilst Experian wasn't able to remove the default, it was able to provide Mr L with contact information he could use to challenge the default with the reporting business, P.

I'm sorry to disappoint Mr L but I haven't found any evidence that Experian has breached industry guidelines, regulations or failed to dispute the account as required. As I'm satisfied Experian dealt with Mr L's dispute reasonably and responded to his complaint fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 October 2024.

Marco Manente
Ombudsman