

The complaint

Mr C complains that TransUnion International UK Limited (TransUnion) reported incorrect information on his credit file and failed to remove it in a timely manner.

What happened

I issued my provisional decision to both parties on 16 July 2024, which set out the background and my provisional findings on this complaint. My provisional decision said:

Mr C opened an account with a communications company, which I'll refer to as Company A. Days later, his existing broadband provider offered him a better deal, so he cancelled his account with Company A within the cooling off period.

In November 2023, Mr C found TransUnion was reporting an active account with Company A, so he raised a dispute. TransUnion responded to Mr C and said his dispute was unsuccessful, so Mr C raised a complaint.

TransUnion didn't respond to Mr C's complaint within eight weeks, so he brought his complaint to this service. Following this, TransUnion issued a final response on 7 March 2024. It said it had raised the dispute and Company A confirmed it would delete the account from Mr C's credit file. And this isn't something TransUnion was able to do without express permission from Company A, which it didn't provide.

Our Investigator reviewed matters and didn't uphold Mr C's complaint. They said TransUnion did what we'd expect it to by raising the dispute, and wasn't responsible for Company A not removing the information as it confirmed it would.

Mr C didn't agree. He said TransUnion had failed to act with due care, skill and diligence by allowing the erroneous reporting of an account with Company A to persist.

As no agreement has been reached, the matter has been passed to me to decide.

What I've provisionally 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.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

The information held by Credit Reference Agencies (CRAs) is provided to them from sources such as financial businesses, local authorities and utility companies, who are the owners of the data. CRAs can only display the information provided by the data owners. They do not actively approach data providers for information, rather it is sent to the CRA in a data package for them to report.

However, CRAs are expected to take reasonable measures to ensure the information that is reported by lenders via their credit files is accurate. So, while TransUnion isn't generally responsible for the data provided, it is required to investigate and respond when a dispute is raised.

In Mr C's case, TransUnion did raise a dispute with Company A, who responded to confirm that Mr C's account was cancelled within the cooling off period and therefore will be deleted from his credit file. Company A explained this would be visible to TransUnion after two working days, but it could take up to 30 days to update on Mr C's online credit report.

It's unclear what happened following this, but the entry wasn't removed from Mr C's credit file. TransUnion contacted Company A again in March 2024, who responded to confirm the account had been deleted. And TransUnion has confirmed the entry has since been removed from Mr C's credit file by Company A.

TransUnion therefore did what it was expected to do by raising the dispute with Company A. And I can't reasonably hold TransUnion responsible if Company A didn't remove the incorrect data from Mr C's credit file when it confirmed it would in November 2023. However, from this point, TransUnion were aware the information being reported via its credit files was inaccurate. So, I don't find it unreasonable to have expected TransUnion to follow this up to ensure the necessary amendments were completed within a reasonable timeframe.

TransUnion also failed to effectively communicate with Mr C regarding Company A's response to his dispute. TransUnion responded to Mr C's dispute on 19 December 2023, four weeks after receiving Company A's response, confirming it had been unsuccessful and therefore the disputed entry would remain on his credit file. It gave no further detail, other than general information about possible reasons why a dispute may be unsuccessful.

Had TransUnion clearly communicated Company A's response to Mr C, within a reasonable timeframe, he would've been reassured that the entry would be removed by Company A. He would've also known to follow this up with Company A directly if the matter wasn't resolved when it should've been. As this didn't happen, Mr C was caused avoidable inconvenience trying to resolve the matter.

As this service is not the regulator, I cannot fine or punish TransUnion. But I can consider the impact caused to Mr C and I do think TransUnion's inaction and lack of helpful communication caused him unnecessary inconvenience and frustration over a prolonged period of time. So, I think it's fair that TransUnion pay Mr C £150 compensation in recognition of this.

Responses to my provisional decision

Both TransUnion and Mr C responded to my provisional decision and confirmed they had no further comments or submissions to provide.

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.

As there are no further submissions for me to consider in relation to this matter, I see no reason to alter the conclusions reached in my provisional decision as set out above. So, I

still uphold this complaint and require TransUnion to pay Mr C £150 compensation.

My final decision

For the reasons set out above, my final decision is that I uphold Mr C's complaint about TransUnion International UK Limited. I now require it to put things right as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 August 2024.

Nicola Bastin
Ombudsman