

The complaint

Mr T complains that Equifax Limited (Equifax) didn't manually update his electoral registration on receipt of supporting evidence from his local council.

What happened

I issued my provisional decision to both parties on 19 August 2024, which set out the background and my provisional findings on this complaint. My provisional decision said:

Mr T registered on the electoral roll in August 2023. He was informed by his local council it would take longer than the usual eight weeks for his registration to show on his credit file, due to the annual canvass period. Mr T says his council provided him with a letter to send to Credit Reference Agencies (CRAs), for his registration to be manually updated.

Equifax reviewed the letter provided by Mr T's council and said it didn't confirm the month he was added to the register or his address. Equifax asked Mr T to provide confirmation of the qualifying address on council headed paper with his roll number, so it could investigate further.

In September 2023, Mr T provided Equifax with a Certificate of Residency, issued by his local council, which confirmed the information Equifax had asked for. Equifax responded explaining that during the annual canvass period (September-November), local authorities stop sending electoral registration updates to CRAs. And having checked with Mr T's local council, his name will be supplied on the December register, which means it will show on his credit report in January 2024.

Mr T explained he'd been told he could provide information to have his electoral registration manually added, so he didn't have to wait until January, and he wanted this to happen as a matter of urgency. Equifax explained it was unable to do this, but Mr T could add a Notice of Correction to his credit report in the meantime.

Mr T said this wasn't enough to resolve the issue. He raised a complaint about this, as well as other issues he'd experienced with Equifax. Equifax partially upheld Mr T's complaint and offered him £50 compensation for the service he'd received. However, it didn't uphold Mr T's complaint about his electoral registration.

Mr T accepted Equifax's compensation offer in resolution of his complaint about the service he'd been provided. However, he remained unhappy with its response to his complaint about his electoral registration, so he referred his complaint to this service.

Our Investigator reviewed matters and concluded that Equifax hadn't acted unfairly. They said Equifax's processes don't allow them to make manual amendments unless there had been an error, which wasn't the case here.

Mr T didn't accept our Investigator's findings. He said:

- *His local council told him the evidence they'd provided him was sufficient to prove to CRA's he was on the electoral register.*
- *Other CRA's updated his report based on the information provided within weeks.*
- *Equifax refused to add his electoral registration and failed to provide him with an adequate explanation or support.*
- *He needed Equifax to report his electoral registration to be able to obtain a credit card to show a financial relationship before applying for a mortgage, as advised by his financial adviser and mortgage broker.*
- *Equifax's inaction meant he was unable to obtain credit, which was essential to completing the property purchase, until January 2024. This delay meant he was unable to obtain a mortgage in January and therefore had to exchange on his property without a mortgage in place, putting him at risk of losing his £10,000 deposit and the opportunity to purchase the property.*

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 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 reported via their credit files is accurate. So, while Equifax isn't generally responsible for the data provided, it is required to investigate and respond when a dispute is raised.

In Mr T's case, Equifax did contact his local council on receipt of a Certificate of Residency that confirmed Mr T's registration. Mr T's local council responded to explain he'd missed the cut-off date to be included in September's register updates, so his details were showing on the canvass updates which would be included on the December register. Equifax notified Mr T of his local council's response on the same day and confirmed his electoral registration will appear on his credit report in January 2024.

Following further requests from Mr T to add his electoral registration manually, Equifax went on to explain data is displayed on credit reports exactly as it is provided to it by the data providers. So, as his electoral registration hadn't been supplied by his local council, it was unable to add this to his credit report.

Equifax also confirmed to this service that registrations dated after the cut-off point before the canvassing period cannot be added manually until the full register data has been published and supplied – it cannot load entries ahead of the official publication.

While this is a process Equifax has in place, it has also confirmed it is able to manually add electoral registration information where there had been an error – such as the details failing the automated loading process. I've therefore considered if this is something Equifax should've reasonably done for Mr T in his circumstances.

The Consumer Duty has been in force in relation to firms' regulated activities since 31 July 2023, so it's relevant in this case. The Consumer Duty was introduced by the Financial Conduct Authority ("FCA") as a means of setting higher standards of consumer protection across financial services, requiring firms to put their customers' needs first. One of the things it makes clear is that firms should support customers and enable them to meet their financial objectives. I don't think Equifax has met the requirements of the Duty in this respect.

I say this because Equifax had sufficient evidence of Mr T's electoral registration from his local council in September 2023. It had the capability within its systems to allow it to manually update this data to accurately reflect Mr T's electoral registration, and I see no reason as to why Equifax couldn't have done this to resolve matters for Mr T. It knew that by not doing so, Mr T's record would not be updated for three months. It also knew or ought to know that this lengthy delay in turn might hinder Mr T achieving his financial objectives in the sense that electoral registration is known to be positively factored into an individual's credit score.

I also note Equifax asked Mr T to obtain and provide further information about his electoral registration. Equifax said this was so it could check if it had been supplied by the council and raise a query if not. However, Mr T had already told Equifax within his initial query that his council had confirmed there would be a delay in it being provided to CRAs – and so the reason for his query was to ask for it to be applied manually in the meantime. Equifax therefore ought to have already been aware the data hadn't been supplied, and the reason why, to advise Mr T accordingly.

Mr T was added to the register in December 2023. Equifax confirmed the data was purchased in full on 8 December 2023 and it was received from the council on 19 December 2023. It therefore, as expected, should've shown on Mr T's credit file from January 2024, and I've seen nothing from either party to confirm this didn't happen.

Had Equifax done more to support Mr T in resolving the problem when he contacted it, this could've been resolved for Mr T around three months earlier. So I have considered the impact the delay caused to Mr T.

I haven't seen any evidence that the delay has resulted in financial loss. Mr T says this issue prevented him building his credit rating in preparation for a mortgage application. However, Mr T didn't apply for any credit, so there is no way of knowing what the outcome of an application would've been, or what the bank would've based any lending decision on. I understand Mr T's reluctance to apply with missing information from his credit file, but multiple considerations are made by lenders following an application for credit.

A credit score itself is based on an algorithm using the data on the credit file, each CRA has its own algorithm based on the criteria it thinks is important. Mr T's credit score with Equifax will only be visible to him, it's a general indication which helps customers get a simple view of how their credit file might be perceived in a number format. But individual lenders cannot see this number, they can only see the data showing on the credit file. Each lender will have their own internal lending criteria which they base their lending decisions on, sometimes they also refer to this as a credit score – but it is their internal "number" not the number displayed to Mr T on his credit file.

I would also note Mr T has told this service other CRAs did update his data manually, so were reporting his electoral registration during this time, which would've been visible to many lenders who use those services. But it cannot be said with certainty which CRAs different

lenders would use, so it would have been helpful to Mr T for Equifax to update its records manually also.

I should clarify I'm not telling Equifax to change its processes. But given Mr T's financial objectives – to obtain credit – and the fact Equifax could've updated its records manually, it should've done more to support Mr T here.

I think Equifax could've done more to resolve matters for Mr T much sooner, and its inaction caused him unnecessary distress. I say this because Mr T had to proceed with his house purchase without his mortgage in place because he was concerned about the impact his electoral status had on his credit rating. So, I think it's fair Equifax pay Mr T £100 compensation in recognition of this.

Responses to my provisional decision

I invited both parties to respond with any further points or evidence they wanted me to consider before I made a final decision.

Equifax didn't respond.

Mr T responded to clarify his complaint points. In summary, he said:

- Equifax requested information from him, so he believes it would've been willing to update his data. He thinks he was later given incorrect information by staff that this couldn't be done which prolonged the issue, despite his multiple communication attempts over many months to resolve matters.
- Equifax failed to support him by either not updating his data, or clearly explaining why it couldn't do this, the impact this could have and how he could mitigate this in the meantime.
- While he cannot demonstrate financial loss, he believes there is evidence of an unnecessary delay that could have possible financial implications. His mortgage application was declined in June 2024, which he accepts wasn't solely due to Equifax, but believes this issue to be a contributing factor as the length of financial relationships and credit limits offered are considerations during lending applications.

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.

Having done so, I've reached the same outcome as set out in my provisional decision - both in terms of what went wrong and how it should be put right.

To clarify, Equifax explained it requested information from Mr T to investigate and ensure there hadn't been an error that had caused his electoral registration information to not report. Unless there had been an error, Equifax wouldn't look to update its data manually. Instead, it would wait for it to be provided by the local authority following the official publication of the electoral registration after the canvass period.

In Mr T's case, there was no error that caused his electoral registration to not report. Mr T had simply missed the cut-off date for his electoral registration to be reported before the canvass period. I'm satisfied this was explained to Mr T, and he was given the option to add a Notice of Correction to his credit report in the meantime, which would've been visible to lenders when making any applications for credit.

So, I'm unable to agree with Mr T that Equifax failed to complete its own process, or that it didn't explain to him why it wouldn't update his data and what he could do to mitigate any potential impact in the meantime.

That being said, Equifax had evidence of Mr T's electoral registration, and the capability within its systems to manually update its records, in September 2023. So, for the reasons explained within my provisional decision, I still think Equifax should've done more to support Mr T by manually updating his record at this point.

In terms of Mr T's financial impact, I haven't been provided with any new information or evidence to be able to hold Equifax responsible for Mr T's mortgage application being declined. Mr T also accepts Equifax is not solely responsible for this, but maintains the unnecessary delay in updating his electoral registration data would've contributed to this due to his inability to obtain credit earlier.

As explained within my provisional decision, Mr T didn't apply for credit, so I have no way of knowing what the outcome of any applications would've been. I've seen nothing to support it wasn't possible for Mr T to obtain credit solely because of this issue.

I do accept though that Mr T was caused avoidable distress and concern about the impact his missing electoral registration would've had on his credit rating, and in turn his ability to obtain credit - and I still think £100 to compensate for that is fair.

My final decision

For the reasons explained above, I uphold this complaint and require EQUIFAX LIMITED to pay Mr T £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 October 2024.

Nicola Bastin
Ombudsman