

## **The complaint**

Miss L complains Equifax Limited incorrectly linked her credit file to one with a close relatives' details, causing a problem with her credit score.

## **What happened**

Miss L says on 28 March 2024 she was told her credit score had dropped significantly. When looking into this, she found it's because a close relative's electoral roll history had been added to her credit file in error. Miss L asked for all of this information about the close relative to be removed, and Equifax loaded a Notice of Disassociation (NoD) on 2 April 2024.

Miss L has added other details have been added to her credit file as a result of this error – and despite the NoD being loaded, has been unable to get credit. Miss L complained and asked for her credit score to be fixed.

Equifax said this incident occurred due to an error in their data matching system. They explained their systems are designed to ensure all personal data regarding a consumer is properly matched, but there are some allowances for differences in information. Equifax said on this occasion, similarities between name and address with the close relative led to the incorrect matching. Equifax said the only detail added was the electoral roll information from the close relative.

Equifax went on to explain they don't show lenders anyone's credit score – and the score itself isn't relevant to whether a lender will choose to lend. What happens is Equifax provide information about the accounts someone holds, how they've been run, the limits and so on, and then lenders create their own score to decide if they're going to lend to someone. They added although Miss L wanted her credit score updated, this was an automated process so isn't something they can do. Overall, they awarded £50 for the error.

One of our Investigators considered things. He thought Equifax had done enough to put matters right by offering £50.

Miss L didn't. She said sensitive information was added to her credit file and this is a breach of General Data Protection Regulations (GDPR) which the Information Commissioner's Office (ICO) are looking into. She also provided a detailed history of her credit score and said it should have increased by now. She added if we can't do that for her, then she'd like more compensation. So, the complaint's been passed to me to decide.

## **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.

It's not in dispute Equifax made an error – so I'll consider whether the £50 they've awarded is sufficient for this error.

*Incorrect information on Miss L's credit file*

Miss L did have data for a close relative added to her credit file – so I understand why she'd say there was a GDPR breach. But, this breach wasn't of her data, it was of the close relative's. I think if there was a breach of her data, I'd consider that likely to have more of an impact on her – because it's her data being shared with someone else without her consent.

Instead, it's someone else's data being shared with her. Because it's not her data that's been compromised, I do think that means the impact is less – albeit there is still an impact so I'm upholding this aspect of her complaint. I'll come back to this in the 'Putting things right' section.

### *Credit score*

Miss L is clearly someone who tracks and looks to maintain a healthy credit score – so her extreme disappointment about the drop she's experienced is entirely understandable.

The issue here for me to consider is whether anything Equifax have done has caused the drop – and, just as crucially – whether that's had an impact on Miss L or not.

I can see when Miss L raised this, she was told that lenders don't see her credit score – they base any lending decision on information they take from the credit file itself. This is things like account history, number of accounts, amount of searches recently and so on. The credit score itself is an algorithm used by each credit reference agency to provide a numerical representation of how someone's credit worthiness may look.

All of this information is correct – lenders don't see the credit score. Why it's not increased since the issues Miss L had before isn't something I can really comment on. And I say that because, given the above, the credit score dropping doesn't have an actual impact on her.

I know Miss L will point to her frustration at it having dropped. And I can see this is really important to her – but I can't legitimately say it impacts any lending decisions a lender chooses to make, so I won't be upholding this aspect of her case.

### **Putting things right**

Taking into account all of the above, I'm only upholding Miss L's concerns about the data matching. This is something I can see Equifax offered £50 for, and I'm satisfied that's fair.

### **My final decision**

Equifax Limited have already made an offer to pay £50 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Equifax Limited should pay £50 if they haven't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 11 December 2024.

Jon Pearce  
**Ombudsman**