

## **The complaint**

Mr B says Equifax Limited held incorrect data about him, which caused a credit application he made to be declined.

## **What happened**

Mr B says he was declined for credit with a provider I'll refer to as Company A. He says Company A referred to Equifax when it notified him of its decision.

This prompted Mr B to request a copy of his credit report from Equifax, using its free trial service in February 2023. He says information was missing from the report, including a bank account he held with a provider I'll refer to as R, and his electoral roll data. So he contacted Equifax about this.

Equifax found a version of his previous address was held on its system – which didn't match the version R held. Mr B confirmed both versions were the same so Equifax said they would be merged. Equifax also explained Mr B's electoral roll data from his current address hadn't yet been shared with it.

Unhappy, Mr B complained, saying the incorrect information had caused his credit card application with Company A to be declined. He further stated the time Equifax would take to update his electoral roll data was unfair, given the impact it had on his credit report. He considered all accounts he held should be linked to his current address.

In March 2023, Equifax charged Mr B £10.95, saying he'd not cancelled his account following the free trial. Mr B didn't agree he should've incurred this charge and continued to liaise with Equifax over a number of months, raising additional concerns with the service it provided as well as chasing it for a response to his complaint.

In April 2023 Equifax told Mr B it had been unable to resolve his complaint within the eight weeks required and referred him to this service. Subsequently, Equifax completed its investigation, upholding Mr B's complaint in part. In summary it said, it only reported on data from companies who shared this with it, so some of Mr B's accounts would not be listed. It updated his electoral roll data when it received the necessary information, but there had been a mismatch in his address, meaning Mr B's account with Company A wasn't originally listed. It also agreed it shouldn't have charged Mr B £10.95, so for all of this, Equifax offered Mr B £200 compensation to apologise.

Mr B didn't agree and asked this service to look into things. An Investigator here did so but concluded Equifax had already fairly resolved matters. She said there wasn't anything to suggest Company A had declined Mr B's application because his account with R wasn't listed on his credit report. Equifax added his electoral roll data when it should have, and while he'd initially been charged £10.95, Equifax had explained the reason for this. As Equifax had now merged the two versions of his address, £200 was a reasonable resolution in the circumstances.

Mr B didn't agree, in summary he said:

- While it was difficult to say exactly why he'd been rejected by Company A, Equifax's system hadn't incorporated R's account which was a failing of its system and undoubtedly impacted the search.
- He'd been incorrectly charged for a service following a free trial and needed to contact his bank in order to block the payments.
- Overall, the service he'd received from Equifax was poor. Saying he'd needed to sign up for a free trial in order to complain, it had taken too long to respond to his initial complaint and there wasn't a UK contact he could speak to on the phone.

Overall Mr B didn't consider the £200 offered fairly reflected the stress and anxiety he'd suffered as a result of Equifax.

With no resolution the complaint was passed to me to decide.

I issued a provisional decision, explaining that I considered the offer of £200 fairly resolved matters. In this provisional decision I said:

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

*In doing so, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.*

*I realise I've summarised this complaint in less detail than both parties. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean I've not considered everything both parties have said.*

*Firstly, I think it would be helpful to explain, Equifax don't own the data it reports on – the data is owned by lenders, third-party companies and other organisations. The responsibility of reporting accurate and up to date information therefore rests mainly in the hands of the data providers. Credit Reference Agencies (CRA's), such as Equifax, don't actively approach data providers for information, rather it is sent to the CRA in a data package for it to report. CRAs then report whatever information they have been given.*

*With this in mind, as our Investigator explained, it seems reasonable not all accounts Mr B holds will show on his Equifax credit report. Referencing an account from an organisation I'll refer to as P, she said only those from organisations that have provided data to Equifax will be listed. I've not seen that P does provide data to Equifax, so I don't think Equifax has made an error by not reporting the account.*

Electoral roll and Address details

*Mr B raised a query with Equifax on 7 February 2023, explaining his electoral roll data wasn't showing on his report. Mr B had recently moved back to the UK from abroad, where he had been registered to vote, and considered Equifax's data should reflect that.*

*On 9 February 2023 Mr B provided notice from his local council confirming he would be added to the register at his new address on 1 March 2023. Equifax explained it couldn't load this data manually but agreed to add a notice of correction to his report – which it did on 10 February 2023. It also confirmed it couldn't report on international records, which doesn't seem unreasonable.*

*As Equifax don't own the data it reports on it's not unreasonable it couldn't load this information until it was notified by Mr B's local council, once he was registered. Equifax did as it should here by adding a notice of correction and I've also seen the data showed on Mr B's credit report in March 2023, as I'd expect. So I don't think Equifax did anything wrong here.*

*Not owning the data also means Equifax aren't generally responsible for the data provided, but must ensure the data is accurate, and investigate when a dispute is raised.*

*During a call on 9 February 2023, Mr B told Equifax his account with R wasn't showing on his report. It was established R's account was registered with a different version of Mr B's previous address, but as he confirmed these were one in the same, Equifax agreed to merge the two versions, which happened shortly after. Mr B's account with R appeared on later versions of his credit report.*

*I consider Equifax did as it should here, and updated Mr B's details promptly. It also took this into account in the compensation it offered Mr B.*

#### **Application Decline**

*Mr B says he applied for a credit card with Company A, but was declined. While Mr B hasn't provided a copy of the application, or the decline, I can see from his credit report Company A carried out a hard search on 1 February 2023. As such, it's reasonable to assume this was around the time the application was made.*

*Mr B considers missing information on his Equifax credit report caused the application to be declined, namely the account he held with R. Fundamentally, in order to uphold this aspect of Mr B's complaint, I'd need to be satisfied Equifax were solely or mainly responsible for Mr B being declined for credit.*

*Generally, to be satisfied this was the case, I'd want something from the lender to explain Equifax's incorrect information was the sole reason it had declined credit. The key reason for this is I know lenders decide on whether they are willing to provide a consumer credit using a vast number of different factors. So it's extremely difficult to apportion sole blame to Equifax in such circumstances when there is a real and realistic possibility several factors contributed to Mr B being declined. Especially given what we know about Mr B's electoral roll data.*

*On balance, I can't fairly conclude R not being on Mr B's credit report was the reason his credit application was declined.*

#### **Equifax's membership**

*Mr B says he was required to sign up for a free trial in order to raise a complaint with Equifax. While I've seen no evidence this was the case, I can see Mr B signed up for Equifax's free trial on 7 February 2023. He would have needed to do this in order to obtain a copy of his credit report, which seems reasonable. Equifax say this trial was cancelled the same day.*

*However, Equifax's system then appears to show Mr B re-activated the account that day, and as this wasn't cancelled within a month, he incurred a charge of £10.95 in March 2023.*

*When Mr B called Equifax to complain he was told as he'd not cancelled the second free trial the charge was correct. I understand at this point, Mr B contacted his own bank and raised what is known as a "chargeback", and it was through this method he obtained a refund.*

*Equifax has since explained to this service it had some technical issues when Mr B cancelled in February 2023, which meant his account may not have been cancelled as it should have been.*

*So while it's disappointing this wasn't picked up initially when Mr B contacted Equifax in March 2023. And it would have caused some inconvenience to contact his bank and raise a chargeback, I'm persuaded he's now received the refund he was entitled to. Equifax has also taken this into account in its compensation, and I think that's reasonable.*

#### Customer service

*I've also noted Mr B has raised concerns about how long Equifax took to resolve matters, and the quality of its investigation. It's disappointing it took Equifax more than six months to complete its investigation and issue its final response, which I can understand would have been very frustrating for Mr B. However, I'm pleased to see Equifax wrote to him in April 2023 letting him know it had been unable to complete its investigation within eight weeks and referred him to this service, as I'd expect. Equifax also took this into account in the compensation it offered Mr B.*

*I understand Mr B considers Equifax should have provided him with a phone number for its office in the UK, but I don't agree. While it's not for this service to tell an organisation how it should operate, I think it's important to explain to Mr B, having a customer facing department in a particular country, isn't mandatory.*

*Mr B is also concerned with reports he's seen about Equifax on various third-party websites. But we consider complaints individually and on their own merit, so it wouldn't be reasonable to take into account reports such as these and apply them to Mr B's case.*

*I was sorry to hear about the impact this situation has had on Mr B, I appreciate it would have been stressful when he was declined for credit, especially as he attributed that to errors on his credit report. However, hopefully I've been able to explain why I can't hold Equifax solely responsible for everything that's happened.*

*Overall, I agree this would have been a stressful time for Mr B, but I've seen nothing to say the error has caused financial loss or ongoing detriment. With this in mind, while I understand Mr B considers he should get more compensation, I'm satisfied £200 is in line with the level of distress and inconvenience Mr B has suffered and within our award ranges for situations like this. It's unclear if this amount has been paid by Equifax. Both parties can confirm when replying to this provisional decision whether it has or hasn't been paid."*

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

Equifax acknowledged what I'd said but didn't have anything further to add. It confirmed it hadn't yet paid the compensation to Mr B but said it would contact him to request details to make payment.

Mr B also responded and while overall he said he'd accept what I said – he reiterated his concerns, saying he didn't believe the errors concerning membership fees were legitimate. He also considered Equifax's customer service team failed to deal with the problems raised and that listening to the calls he'd made with them would attest to that.

Mr B also pointed out that he didn't consider his case to be unique and raised his concern that other Equifax customers may not be in a position to come to our service.

## **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.

Firstly, while I understand Mr B is concerned about other Equifax customers, it's important to explain our service looks at complaints on an individual basis, so I'm not in a position to comment on any possible wider impact here. However, our final decisions are published on our website.

Mr B has raised concerns the errors around membership fees weren't legitimate. I've thought about this and the information I've been provided by both parties, which I explained in my provisional decision. Having done so, I've seen no evidence to say Equifax's reasoning isn't correct. In any case, Mr B received a refund through his bank and Equifax took the inconvenience into account when considering what suitable compensation looked like – so I think he's been compensated in the way I'd expect.

I've also considered what Mr B has said about the calls he had with the customer service team. Having done so, I don't believe it's necessary to listen to these recordings. I say that because I accept what Mr B has said about the service he received and all parties are in agreement that Mr B didn't receive the customer service he should have expected, so I don't see that listening to those calls will change my opinion here. Equifax has also taken this into account when awarding compensation – which, as explained I think is fair in the circumstances of this complaint.

Taking everything into account I remain satisfied that £200 is suitable compensation in this case.

## **My final decision**

Equifax Limited has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Equifax Limited should pay £200, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 October 2024.

Victoria Cheyne  
**Ombudsman**