

The complaint

Miss A complains Experian Limited, in their capacity as a credit broker, offered her a guaranteed pre-approved loan at a rate of 6.7%. But when taking out the loan, was offered a rate of 20.7%.

What happened

Miss A has said she was working on her credit score and managed to get it in the 'excellent' category with Experian. She saw on Experian's website she was pre-approved for a guaranteed loan at an interest rate of 6.7% with a provider who I'll refer to as M.

When applying for the loan with M, Miss A noticed the interest rate had increased to 20.7%. She's unhappy about this, and doesn't think it's ok – as this led to her credit score dropping from 'excellent' to 'good'. Miss A doesn't think Experian should advertise their loans as guaranteed / pre-approved when they're not.

Experian said they could see M offered a guaranteed rate of 6.7%, but the final decision on whether to lend always rests with the lender, not them. So, in the circumstances, it'd be best to check with M to find out why they didn't honour the rate.

Unhappy with this, Miss A asked us to look into things, reiterating her concerns about Experian's advertising. As part of our process, we asked Experian for their file. They provided this, and it included a note from M which said Miss A had provided different information to M when applying for the loan.

One of our Investigators considered Miss A's but didn't think Experian had done anything wrong.

Miss A didn't accept this. She felt there was no transparency, Experian had just shifted the blame to M, and neither would tell her what the different information was. She didn't think it was acceptable she'd just have to accept this. So, the complaint's been passed to me to decide.

Separately, Miss A brought a complaint to our service about M – which I upheld. Miss A accepted this outcome.

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 a starting point I think it's important to explain to Miss A I'm required to decide if Experian have acted unfairly towards her. If I think they have, then I can award compensation and direct them to take certain actions. If I don't think they've done anything wrong, then I wouldn't be asking them to do anything to put things right.

My understanding is Experian show the information the lenders, such as M, provide them. So, I don't think Experian have done anything wrong in advertising that Miss A was eligible

for a loan at an interest rate of 6.7% from M – and it was guaranteed and pre-approved. They've demonstrated to us this is what M told them.

From Experian's point of view, they're not the party responsible for offering the lending. So, they can't be held responsible for the rate of lending that is ultimately offered – that means in Miss A's case I don't think Experian can be held responsible for M offering the rate at 20.7% when she went to apply.

I do understand her frustration about what she sees as misleading advertising – it can't have been nice for her to realise the different in rates. But I'm not sure I agree Experian are at fault for this. Experian's website does show that it's possible 'guaranteed' and 'pre-approved rates' could change depending on a number of factors – one of which is if different information is provided by the applicant (Miss A) to the lender (M).

I've noted Miss A says the information needs to be clearer. But, in the circumstances, I'm struggling to say that'd have changed what happened here. Miss A would only know if she was going to get the 6.7% rate, if she applied for the loan. So, I don't think the clarity of the information is likely to have changed what happened here.

As mentioned above then, it'll be M who changed the rate on the loan. They gave Experian an explanation which was the information provided by Miss A to them was different to what they knew about her from Experian – hence the change in rate.

I don't think it's unreasonable for Experian to accept this explanation from M. It's not Experian's decision on what rate to offer or why, and I think it's quite reasonable for them to have told Miss A to speak to M – given it was M who decided to change the rate.

So, in the circumstances, although I do understand Miss A's frustration about what's happened here, because I'm only considering Experian's actions in this complaint, I can't reasonably say they've done anything wrong.

With that in mind, I won't be asking them to pay Miss A compensation, increase her credit score, or remove the credit search. I would though note for Miss A's benefit, her credit score doesn't directly impact whether she's eligible for other kinds of good rates or not – lenders can't see her actual credit score, they can only see other information such as number of accounts she's got, how she's run those, credit she's applied for recently – but not her credit score.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 8 April 2025.

Jon Pearce
Ombudsman