

The complaint

Mr M complains TransUnion International UK Limited (TU) are reporting missed payments on his credit file when they shouldn't be.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

Mr M has an agreement with an energy company who I'll call S – but says it's not a credit agreement. Mr M has explained the way it works is they supply him with energy, and he pays them upon a correctly presented invoice. Mr M says at the point of raising his complaint, all invoices provided had been incorrect so he was disputing them. And his understanding of the role of credit reference agencies (CRAs) was they report missed payments on a credit file for a credit agreement. So, when S are reporting missed payments, and TU are allowing them to, that's wrong and is damaging his credit file – as his agreement with S isn't a credit agreement.

TU explained that, as a CRA, they don't own the data that's reported to them – they simply display the information. But, when there is an issue they'll raise a dispute. Here, they did that with S – but S didn't agree to the removal of the information Mr M said TU shouldn't be displaying. TU accepted they told Mr M the wrong information initially, that S had agreed the information should be removed. TU said given the issue with the handling of Mr M's case, they wanted to offer him £50 as an apology.

Mr M did reply to TU, but ultimately unhappy with their responses, asked us to look into things. While doing so, Mr M reiterated his concern that TU were displaying missed payments on his credit file – which he understood could only apply to a credit agreement. And, his agreement with S wasn't a credit agreement – so he felt TU were reporting incorrect and false information.

One of our Investigators considered things. Overall she felt TU had acted fairly in raising the dispute and reporting the data. And she felt the £50 TU had offered for incorrectly telling Mr M his dispute had been successful was fair.

Mr M didn't agree. I've summarised what I consider to be his key concerns below:

- *TU didn't raise the dispute with S correctly because they didn't ask about the truth of S' claims*
- *Because of that, S didn't respond in any meaningful way*
- *Mr M highlighted some wording from the ICO guidance which says CRAs have to take reasonable measures when disputing data*
- *He also asks what happens if S didn't reply at all, or were slow to do so*
- *TU have a duty to pursue disputes until reasonably satisfied the information is correct*

- *Because S didn't adequately respond to confirm or deny what he claims is false or misinformation then he thinks this is reasonable doubt, and it suggests he's telling the truth*
- *No mention has been made of the 'credit score' part of his complaint – which is that he's unhappy his credit score has reduced as a result of these issues*
- *The £50 payment isn't a relevant part of the complaint he's referred to us, so we don't need to mention it again*

Mr M then made a number of suggestions of the further actions TU could reasonably take. Overall, as he didn't accept our Investigators outcome, the complaint 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.

The crux of Mr M's complaint is that TU should only be reporting missed payments if they're due – but in his case with S he says they're not due, because no correct invoice has been presented by S to Mr M.

As a starting point, it isn't TU's role to get fully involved in a dispute between a data provider (here, S) and the individual (Mr M).

The ICO guidance under the heading 'What should I do if my credit file is inaccurate?' says:

If your credit file is inaccurate, you can raise your complaints with the relevant CRA you obtained your file from. However, the problem may lie with the original lender or organisation that supplied the CRA with the information so you will need to contact them instead.

If you have contacted the CRA and the original lender and there is an obvious inaccuracy which they are unwilling to correct then you may wish to make a complaint to the ICO. Please note that it's not our role to decide on financial disputes.

With that in mind, I'm satisfied TU did enough and took reasonable steps when they disputed the information – and S replied to say "Customer has not paid balance since being on supply". In the circumstances, I can't see that it'd be appropriate or practical for TU to do anything further in respect of the dispute – on the basis this is a matter between S and Mr M and it isn't TU's role to decide who is right or wrong. At this point, if Mr M wanted to pursue the matter further then he'd need to have resolved the issues with S – as TU told him.

If S were slow to reply, or hadn't replied at all, then the data on Mr M's credit file would be suppressed. It's typical for CRAs to allow 28 days for a data provider to reply to a dispute – and if they don't then the data is removed until they do.

But, Mr M says his key concern is that he doesn't have a credit agreement with S, and this isn't what TU disputed with S, so TU haven't investigated properly. And, as a result of that, they haven't got to the crux of the issue which is TU aren't allowed to report missed payments unless there is a credit agreement – which he doesn't have with S. So, Mr M says this is wrong and goes against TU's obligations as a CRA to report true and accurate information.

Mr M is right, TU have obligations to report true and accurate information. So, I need to decide whether TU have acted fairly in showing S' entries as missed payments. To accept TU have acted wrongly here, I'd need to be satisfied Mr M has proved he's right.

As I understand it based on Mr M's explanations, he ended up in dispute with S because the invoices they sent him were incorrect.

Putting aside the issue of whether the invoices were correct or not, because as I've set out above that isn't for TU to get involved in, S have asked for payment – and Mr M hasn't made that payment.

I'm not aware of Mr M's claim that CRAs can only report missed payments if they've been missed under a credit agreement. I say that because it's commonplace for missed payments to be reported by utility companies as well. And while Mr M's situation may be slightly different in that S send an invoice first, fundamentally the issues seem to be the same. What I mean by that is the provider asks for payment (by whatever method), and if it's not paid then a missed payment could be reported. I'd also add many people won't have a credit agreement with their utility provider either because no credit is being advanced.

I think this is broadly in line with another bit of information on the ICO's website, under Credit and FAQs, which gives the following example:

There is an entry on my credit file that I think is wrong. My broadband provider says I owe them money but I have made it clear that I am not going to pay for the month last year when their service was down. Can I have this entry amended because it is inaccurate to show that I owe them this money for a time when their service wasn't being delivered?

The ICO cannot decide on issues outside of data protection law. In this instance, while you may consider the data to be 'inaccurate' because you don't think you should have to pay for service you haven't received, this is a service complaint which needs to be resolved before we could determine whether this information is accurately recorded on your credit file.

So, I don't think TU are doing anything wrong in reporting what S have said are missed payments. If Mr M can point me / our service to law or guidance which shows what he's saying is right, then I'd be happy to reconsider things.

Next I've looked carefully at Mr M's credit file. I can see that S have reported missed payments, but I can't see that his account with S is categorised as one with a credit agreement. And I think it's clear to see this is a utility bill rather than 'something else' which could be a credit agreement.

Bringing all of this together, I'm satisfied TU fairly disputed the reporting of the account, reasonably accepted S' response, and that they're not doing anything wrong in displaying the data S have reported. Because of that, I'm satisfied any impact to Mr M's credit score is likely to be fair. In any event, I'd want Mr M to know that lenders don't see his credit score itself, instead they simply get information about how he's run his accounts. And, for all the reasons I've mentioned above, I can't fairly say he's proven TU got things wrong at the point of the complaint.

Finally, I'm aware TU offered Mr M £50 compensation for their error in telling him his dispute had been successful when it hadn't been. I'm aware Mr M has explicitly asked for this not to be part of the complaint but given the £50 offer was made in response to this complaint Mr M raised I'm persuaded it's appropriate to comment on it.

With that in mind, I think the error TU made would have undoubtedly been frustrating. Having thought about the impact on Mr M, I'm satisfied the £50 TU have offered is fair. My understanding is this hasn't yet been paid to Mr M – but both parties can reply to confirm their respective position.

Responses to my provisional decision

TU replied, said they accepted my provisional decision, and that the £50 was paid to Mr M's account on 5 November 2024.

Mr M replied and didn't accept my provisional decision and provided two invoices from S. I've summarised what I consider to be his key points:

- He complained on the principle it was for S or TU to prove he'd missed payments, not for him to prove he hadn't – as the innocent party this is considerably harder.
- But, the first invoice shows no direct debit has been set up, and the second shows a reduction in costs of £60 for their mishandling.
- Mr M accepted a utility company could report an unpaid invoice, but not a missed payment as no payment date was agreed – therefore can't be missed.
- He didn't think the ICO example I used was relevant to his circumstances – as he'd never agreed to make payments by a certain time.

Overall, Mr M felt all the evidence he's provided shows S can't reasonably report missed payments and have that be an accurate reflection of what happened.

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.

The two invoices Mr M has provided me are dated 21 August 2024, and 1 November 2024.

Both of these invoices, in the top right corner of the first page, say there is an account balance of £231.21 and £250.02 respectively. They both have a due date of when S seemingly expect the payment to be made.

Mr M says both invoices are asking him to set up a direct debit – so that's proof he doesn't have an agreed payment arrangement with them. I understand from Mr M's perspective, he's saying he was only required to make a payment upon a correctly presented invoice and hadn't agreed to pay by a certain date because there was no direct debit in place.

But, these invoices do have a due date by which payment needs to be made. Whether the invoices are correct or not isn't something I can rule on – as I'm only looking at a complaint against TU. The evidence Mr M has provided simply says S expect a payment by a certain date. And Mr M hasn't, by his own admission, made payments because he didn't agree the invoices were right. So, I'm satisfied in context Mr M has missed payments – because invoices were sent, with a payment due date, which Mr M didn't meet.

In the circumstances, I can't reasonably say anything other than I'm satisfied TU were reporting correct information.

If Mr M wants to, he can raise a complaint against S – as they're the party reporting the data he says is incorrect. If Mr M is found to be right, and S shouldn't be reporting the data, that'll require an analysis of the terms of the contract between him and S – which this service can't do because S isn't a financial services provider. But, if Mr M isn't happy after S has looked at his complaint, he may be able to refer his complaint to a similar scheme for that industry.

Finally, TU have told us the payment of £50 has already been made – but for completeness I'll still require them to pay it if they haven't – as Mr M didn't confirm he'd received it.

My final decision

TransUnion International UK Limited have already made an offer to resolve this complaint of £50 and I'm satisfied this is fair and reasonable in the circumstances of the complaint.

So, I'm currently planning to say my decision is TransUnion International UK Limited should pay Mr M £50 if they haven't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 April 2025.

Jon Pearce
Ombudsman