

The complaint

V, a limited company, complains Experian Limited have incorrect data on their credit file and haven't updated it. V also complains about Experian continuing to send alerts on historical data which aren't relevant.

Mr D, a Director of V, is bringing this complaint, so to make it easier I'll mainly refer to him in this decision.

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 D has listed the following information he's said is incorrect:

- *Bank B has their credit and debit turnover inaccurate as they aren't V's regular bank*
- *Bank H has their credit and debit turnover inaccurate as they aren't V's regular bank*
- *Lender I reported the account in default for three months after settling it*
- *Experian also has V's trading address, nature of business (SIC) and principle activities all wrong*

Mr D has told us Experian tell him they're not responsible for the data, and the lenders haven't agreed to update the information. But Mr D says he's spoken to the lenders, who say it's Experian who are refusing to do the updates. Mr D says all of this is impacting V's credit score, and Experian's answer is to try and sell him an account review option costing £300, rather than fixing the bullet pointed issues which would resolve the problem with the credit score.

In response to Mr D's complaint, Experian said the information they hold about a limited business is taken from different places. All of this information goes towards creating what's known as a Delphi score. Experian describe the Delphi score as a score which predicts if a business might fail, the odds of it failing and a risk group of the limited company. So, the Delphi score is like a credit score for a limited company.

Experian said their role as a credit reference agency (CRA) is to record the information they're given by a third party. And while they do everything they can to ensure the data is accurate, this is the responsibility of the companies who provide the information – I'll refer to them as data providers for the rest of this decision.

Experian said they'd disputed the information with Bank B and Bank H. Bank B asked Mr D to contact them directly, and at the time of the complaint response, Bank H hadn't replied. They said they couldn't remove or amend any data, without Bank B or Bank H's permission. So, they didn't think they'd done anything wrong.

Our Investigator didn't think Experian had done anything wrong, so didn't uphold the complaint.

Mr D didn't accept this, he said we're asking him to accept false data is ok, upselling on a credit file is acceptable and the response sets a dangerous precedence. So, the complaint's been passed to me to decide.

Before deciding the case, I asked both Experian and Mr D for more information. With Mr D specifically, I asked for:

- *All the evidence he had of lenders telling him Experian wouldn't update V's credit file*
- *A clear list of what is wrong on V's credit file, why he thinks it's wrong and what the data should show as far as he's concerned*

Mr D had said in his complaint form he had evidence of lenders telling him Experian wouldn't update V's credit file – but hadn't provided it. He also said information on V's credit file was wrong, but didn't list everything out, why he thought it was wrong, and what he thought the correct information was for each of the points.

The first request for this information was sent on 13 November 2024. We then contacted Mr D again on 19 and 25 November 2024.

Mr D replied on 26 November 2024, and said our information request was unclear as it didn't follow the complaint he'd made.

On 4 December 2024 our Investigator quoted some of the information Mr D had provided to us to explain where the information request had come from.

We chased on 20 December 2024, and Mr D replied two days later to say he'd have to look into this, but regardless "the fact remains it was recorded months after it was settled, and both the lender and the CRA were aware of this fact".

On 2 January 2025 Mr D sent over some information about Lender I – and when asked to send in more information, Mr D didn't reply by the deadline of 9 January 2025.

Given the above timeframe, I'm satisfied it's appropriate to go ahead and issue this provisional decision. It'll give Mr D and Experian a chance to reply before I issue a final decision.

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.

As a reminder, this is what Mr D originally told us was his complaint:

- *Bank B has their credit and debit turnover inaccurate as they aren't V's regular bank*
- *Bank H has their credit and debit turnover inaccurate as they aren't V's regular bank*
- *Lender I reported the account in default for three months after settling it*
- *Experian also has V's trading address, nature of business (SIC) and principle activities all wrong*

So, this is what I'll address in his complaint.

Bank B

Experian told Mr D Bank B had replied and said he had to contact Bank B to update the details he was saying were wrong.

As part of the information request to Experian, I did ask for a copy of the reply they'd received – but they said due to the time that has passed they can't provide it.

Given that, I can't know for certain this is what Bank B told Experian. Where information is incomplete, as it is here, then I need to decide what I think is more likely than not.

As Experian said in their response to Mr D's complaint, they don't own the data they report – the data is owned by data providers such as Bank B. This means unless Experian can see something is 'obviously' wrong, they wouldn't automatically update it based just on the individuals say so.

The individual, Mr D in this case, would need to dispute the data – Experian then raise that dispute with the data provider, and pass on their response.

Here, Mr D seems to have disputed the data, and Experian say Bank B said he'd have to contact them to get the data updated. In the circumstances, I've not seen anything to prove the data was 'obviously' wrong – so I think it's more likely than not this is the response Experian received. It's quite common for this response to come back from disputes because the data provider will often need to speak with the individual to confirm what has happened before deciding if Experian needs to make any changes.

So, given everything I've got above, it seems more likely than not Experian have acted fairly on this point.

Bank H

Mr D seems to have raised a dispute about the same data with Bank H. Experian said they've no record of a reply from Bank H in their response to Mr D's complaint – and more recently told our service due to the time that's passed they don't have a record of any reply.

So, it's not clear if Bank H ever replied or not. If they did, then I think it's more likely than not they too would have asked Mr D to contact them. I say that because Mr D raised a dispute about the same data – V's credit and debit turnover is inaccurate as they aren't V's regular bank – to both banks. So, given Bank B said Mr D would need to contact them to discuss this, it seems reasonable to me to think Bank H would say the same. Because of that, I don't currently think Experian have done anything wrong on this point.

Lender I

The one piece of evidence Mr D has provided is of Lender I's response to his complaint to them. In summary, Lender I say:

- They've been reporting V's loan as a business loan, but Experian have a problem and are only reporting it as a personal loan*
- As this error doesn't lie with Lender I, they don't uphold this part of Mr D's complaint*
- Since they defaulted V's account, they've been sending monthly updates, but when the default was settled they should have stopped doing that. They've said Experian can't fix this – and go on to explain why they don't think it'll have an impact on V's business, but if it does to let them know.*

We did also ask Experian for information about Lender I – and what they'd done to dispute this account – but they didn't reply on this point.

In the circumstances, it wouldn't seem right for Experian to report a business loan with V, a limited company, as a personal loan. So, I currently plan to tell them to resolve this issue.

And although Lender I have said if a lender turns down a credit application from V because of their error to let them know, I do think the wrong information should be removed to reduce the chance of that happening. So I'll be saying that should be removed, and to pay V some compensation for the inconvenience of not doing so at this point. I'll explain more on these points in the 'Putting things right' section of this decision.

V's trading address, nature of business and principle activities are wrong

We asked Mr D to tell us specifically what was wrong, why he thought that, and what the information should show – the idea was to then try and fix these issues with Experian.

We also asked Experian if they'd made any more changes to V's information since the last contact our service was aware of.

Unfortunately neither Experian or Mr D replied to these points. In the circumstances, unless I'm satisfied there is incorrect information, there is little I can do to tell Experian to put it right.

I'm very happy to consider these issues, but I need to understand what they are to do so. If Mr D wants to send us a copy of V's credit file, and tell us the below information then we can:

- *What he thinks is wrong*
- *Why he thinks it's wrong*
- *What he thinks it should say*

If Mr D doesn't give us more information on this point, then I won't be able to tell Experian to do anything more. If I agree some / all of the information Mr D mentions is wrong, then I'll tell Experian to change it. I've asked our Investigator to attach Mr D's complaint form from when he first contacted us, in case that's helpful to him as a reminder of the issues he asked us to consider.

In terms of Mr D's concern about Experian trying to upsell him an account review, it's difficult for me to comment on this, when I don't know what's wrong on V's credit file. If there are other things very wrong, and Experian's only way to fix it was to try and upsell V, then I may agree with him. But, as things stand, I've not got enough to prove that – because I don't know what's wrong on V's credit file and what it should be.

Putting things right

As things stand then, I'm upholding part of this complaint. I don't think Experian have done anything wrong regarding Bank H or Bank B, and don't have enough information to tell them to correct V's trading address, nature of business or principle activities.

But, Mr D has provided the outcome of the complaint from Lender I which clearly says they've made mistakes – and which also says that Experian have apparently told them some wrong information will remain on V's credit file.

I don't agree that's fair, so I'm currently planning to tell Experian to:

- *Confirm if the loan from Lender I is being reported as a business loan or personal loan*
- *If it's being reported as a personal loan, this needs to be updated to a business loan*
- *Remove the default markers from after the date the loan with Lender I was settled*
- *Pay V compensation for inconvenience of £100*

I do want to make it clear to Mr D that Experian haven't seen the email from Lender I before – so I don't know what Experian might say about these issues. With that in mind, I'll need to carefully consider Experian's response to what I've said, as well as any response he sends our service, before giving my final response on this complaint.

Responses to my provisional decision

I've summarised Experian's responses as:

- Personal loan – Lender I's main business is personal loans, so this status is linked to Lender I's main activities and can't be changed – as it impacts thousands of accounts for other customers. But, it'll have no impact on V's credit file.
- Budget revolving account – this can't be changed as it's provided by Lender I and covers multiple account types they offer as a company.
- Default – the only issue impacting V's Delphi score is the default. This is the information lenders will take into account. They can't amend the historical issues, as Lender I have confirmed that's their fault. But, they will suppress the account for future reporting.

I've summarised Mr D's responses as:

- Personal loan – V obtained a business loan, not a personal loan, from Lender I. So, it's incorrect to report it as a personal loan. And can Experian prove the status isn't impacting lenders decisions when looking at granting credit to V? Mr D asks Experian to prove this as saying it without evidence is simply an opinion. Mr D asks for the status to be updated to a business loan.
- Default – Experian need to remove all missed payment markers from when the loan was fully repaid.

Mr D also raised concerns about how the reporting of loans is being done by Experian, and asked for information about what our service will do in terms of escalating this.

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.

Experian have, in summary, said they can't change the personal loan or budget revolving account information – and have said neither of these impact V's credit worthiness.

Mr D says this is just their opinion, unless they can provide evidence to confirm it isn't impacting V's creditworthiness. Mr D also hasn't provided any evidence to show V were turned down for credit due to these two pieces of information.

Experian haven't provided any evidence – so I agree with Mr D this is just their opinion. Without definitive evidence to decide an outcome, I need to decide what I think is more likely than not based on all the information I do have.

V have a default registered on their credit file. In the circumstances I think that's more likely than not information lenders will focus on rather than the type of borrowing – both in terms of personal versus business and recording it as a revolving account. The labels on the account simply identify the account, but a default shows that particular borrower wasn't able to repay their credit commitments. I consider this to be more impactful.

So, in summary, I won't be directing Experian to change the details of V's loan from a personal loan to a business loan or updating the type of account from budget revolving account. Experian have said these points are about how Lender I have set up their reporting – and I think it's more likely than not having no impact on V's ability to get credit.

In respect of the reporting of the account, our service have been quite firm with Experian on this point given Lender I have confirmed they're reporting the information incorrectly.

Experian say they can't change the historic reporting – and Lender I confirmed that was their error anyway so it's for them to resolve. I think that's fair – and it is explicitly what Lender I said in their letter to Mr D anyway.

But, what Experian have said they can do, is:

We have, however, added this to an exemption list so that the account would not be updated if...Lender I...report it again to us and so this will prevent any further status history being added to the account.

For the default then, I think this is a fair outcome. Lender I said the historic reporting is their fault and it's for them to fix – and Experian have said they'll not report any future status history being added. Once Lender I resolve the issues they've said they're having, this should result in the correct information being reported.

Overall, I'm satisfied this is a fair outcome. I do still think though V have been inconvenienced as a result of this – and I still think £100 is a fair outcome.

Separately, I can see Mr D has said he has concerns about these issues and suggests this needs to be addressed. I understand his point, but our service can only deal with the individual issue raised and its impact on V. Mr D has said the regulator the Financial Conduct Authority (FCA) should be made aware and he'd appreciate an update on how we intend to proceed. While I've noted Mr D's points, any referral our service makes to the FCA wouldn't be information we'd share with him. So, while I've considered all of Mr D's points, there isn't anything more I can tell him.

Putting things right

Experian need to:

- Not report any future status history if Lender I update it
- Pay V £100 compensation

My final decision

I partially uphold this complaint and require Experian Limited to carry out the actions in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 10 April 2025.

Jon Pearce
Ombudsman