

The complaint

Mr H complains Equifax Limited was reporting incorrect information on his credit file.

What happened

In June 2025 Mr H contacted Equifax as he noticed an account with a company I'll refer to as T and a third-party name on his credit file he didn't recognise. He was concerned he'd been a victim of fraud.

Equifax reviewed matters and added a notice of disassociation (NOD) to his account. Alongside this it also raised a dispute with T, asked Mr H to provide identification documents, and advised him to contact CIFAS to register the fraud.

T responded to the dispute Equifax raised with it but didn't give consent to remove or update the information. As such Equifax explained to Mr H there was nothing further it could do. So Mr H complained.

Equifax reviewed matters and said Mr H's credit file had been incorrectly merged with a third-party. It also explained it shouldn't have raised the matter with T as this was the incorrect process in cases such as this. For everything it offered £150 to Mr H and confirmed the third-party information had been removed from his credit file.

Mr H didn't consider that £150 fairly resolved matters, so he contacted this Service.

An Investigator here reviewed matters and while they considered Equifax had made an error in adding information from a third-party to Mr H's credit file and spent time establishing this, it's offer of £150 was fair. They also explained they'd not seen sufficient evidence to say Equifax's error was the sole reason for Mr H's account applications being declined.

Mr H didn't agree £150 fairly compensated him for the significant distress and financial impact Equifax's errors had caused. Having to take time off work, incur inconvenience and postage costs to resolve the issue. He also didn't consider the fact he'd been declined by two separate finance companies for an account, and could have ongoing issues opening a bank account, was a fair resolution.

As no agreement has been reached, the complaint has 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.

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

It's not clear what happened to cause this issue, but there is no dispute between either party that Equifax made an error in merging Mr H's credit file with a third party. This has now been fixed, so what's left for me to consider in this decision is how Equifax handled the matter and

the impact this had on Mr H, to decide what I think would be fair compensation.

It seems Equifax was first made aware of the problem when Mr H contacted it in June 2025. Initially, it did as I'd expect and added a NOD to his account, shortly after he contacted it. However, alongside this Equifax also appear to have treated this as fraud – which it doesn't appear was the correct thing to do.

As a result, Mr H was put to more inconvenience than he should have been. He was asked to send identification documents, register the issue with CIFAS and required to contact Equifax on several occasions. Equifax also caused delays by raising a dispute with T, which it didn't need to do in the circumstances. This meant it took around a month for Mr H's credit file to be corrected, through no fault of his own. So I've taken this into account when considering what a fair resolution is in this case.

Mr H says he was declined for two accounts with separate lenders during the time the incorrect information was on his credit file. He's provided evidence from both finance companies showing the declines. However, having reviewed these, I don't think there's sufficient information to say Equifax can be held responsible for this. Fundamentally, in order to uphold this aspect of Mr H's complaint, I'd need to be satisfied Equifax was solely or mainly responsible for Mr H being declined the accounts. But having considered this, I've not seen sufficient evidence to say this was the case.

Finance providers, such as those Mr H requested accounts with, use a vast number of different factors when deciding whether to offer an account. Without these companies confirming exactly the reason it declined Mr H's applications, it's extremely difficult to apportion sole blame to Equifax in such circumstances when there is a real and realistic possibility that several factors contributed to the decline.

Taking everything together, I can appreciate it would have been very distressing for Mr H to find someone else's information appearing on his credit file and it's reasonable he's compensated for that. He's also been put to unnecessary inconvenience in resolving the issue, as a result of Equifax's misinformation. But based on what I've seen I can't attribute everything Mr H has said to be as a result of the actions of Equifax either.

While I understand Mr H considers he should get more compensation, I'm required to consider each complaint individually and on its own merits. Overall, as explained, I agree this would have been a stressful time for Mr H, and Equifax made errors that compounded this. But I've seen nothing to say the error has caused significant financial loss or ongoing detriment that Equifax is responsible for. So having considered the impact caused solely by the error Equifax made, I'm satisfied £150 overall fairly resolves matters.

As such I think £150, is fair compensation in the circumstances of this complaint. I'm satisfied this amount is in line with the level of distress Mr H has suffered and within our award ranges for situations such as this.

My final decision

Equifax Limited has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Equifax Limited should pay Mr H £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 January 2026.

Victoria Cheyne
Ombudsman