

complaint

Mr H complains that Experian Limited failed to record information sent by his local Council about his electoral roll registration, which led to him being refused credit.

background

Mr H applied for a credit card in December 2015 but was initially refused. He says the relevant bank told him this was because his Experian credit record indicated that he had not been on the electoral roll since October 2014. Mr H had to contact Experian a number of times before his complaint was dealt with. The problem with his credit record seemed possibly to be because of the format of Mr H's address. Mr H complained to us and accepted a proposed settlement about the customer service provided by Experian. But that didn't cover the issue of how the initial problem arose, and we told Mr H we could deal with a separate complaint about that.

Mr H got information from the Council, which he said showed that Experian's records were different from those provided by the Council and that it had not acted to remedy matters even when its attention was drawn to the correct data. Those issues are the subject of this complaint.

Ultimately, the adjudicator who considered this complaint did not recommend that it was upheld, because he did not think Experian had done anything wrong. He did not think the problem with Mr H's credit card application was actually caused by an issue over the way Experian dealt with information from the Council about the electoral roll. He thought it was because the electoral roll address did not match the one being used when his credit card application was checked.

Mr H disagreed and asked for an ombudsman to consider matters. He suggested that one of the four parties involved: himself, the bank, the Council or Experian could be at fault. But he had given the bank the right information and the last electoral roll information from the Council had been correct. The bank had assured him it used the address he had given on his application. But even if not, the nub of the problem was that his credit record had also shown that he was not on the electoral roll since October 2014 ie the same issue the bank said it had found. He had definitely used the correct address to the bank and to Experian, so he felt sure the fault lay with Experian. He wants to know when and why it added the incorrect statement that he had not been on the electoral role since October 2014 to his credit report.

my findings

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

First I must say that I can see why Mr H has found the situation frustrating, and probably confusing. Fortunately he was able to make other arrangements to get the credit card successfully soon after the initial problem - though he was put to a bit more trouble over that. I can understand why nevertheless Mr H would like to know what caused the problem. I have looked carefully at the available evidence to try to work that out.

As he says there seem to be four main possibilities: was it due to a mistake by Experian, by him, by the Council or by the bank?

Various different things have been said about the situation at different times, including:

- at one point the bank noted in an email that Experian had said it had three different records for Mr H;
- Experian told Mr H at one point that the bank had omitted the postcode when it searched;
- another time Experian told us that the address information given by the bank was house, district, town , postcode, but that the bank had incorrectly put the district name in the street field (there is no street name in Mr H's address);
- at another time Experian said that Mr H's electoral roll information *had* been retrieved when the bank's search was done, but not details of his accounts, and that this was because the bank didn't enter the address correctly. The problem when Mr H himself couldn't see his electoral roll information was because it was recorded under a slightly different address format;
- at another time Experian said that Mr H's address was registered with house, district, town and postcode until October 2014 and with house, district, town, county and postcode from October 2014. It said different versions of this were all linked to him on the system lenders used for credit checks, but would need to be added to his membership profile for him to see the full electoral roll profile.

After unravelling some confusion about which data was the most recent available at the time of the search, the facts appear to be that:

- At the time the search was done the last information Experian had been sent about the electoral roll by the Council was in January 2015. (This was a delayed 2014 data set.) The Council has confirmed that that included four lines of address: the name of Mr H's house, a district name, a town name, and a postcode.
- That is the correct postal address according to the Royal Mail postcode checker site;
- Experian now agrees that that is the data it got. (The following year it says the data from the Council had the county instead of the town, but that was after the relevant search was done.)

It now seems clear that while the data from the Council had varied in the format of Mr H's address in some years previously, the last data it sent before the search was in the correct format, so should not in itself have caused a problem.

But Mr H says that the bank told him, and that he later saw for himself on his credit report, that at the crucial point it said that there was no electoral roll information since October 2014. I don't think it can be a co-incidence that it is also October which Experian takes as the date when electoral roll information is changed annually (irrespective of when it is actually sent by the Council). So I think that the problem, certainly as regards Mr H's credit report, was that for some reason it was not picking up the latest electoral roll information (from January 2015, which it would treat as relating to October 2014 - October 2015).

But the credit report issue, whilst annoying and potentially worrying, would not in itself cause a practical problem unless lenders would see exactly the same report. But that isn't so. Experian holds data about individuals and when they ask to see their own credit report will put together data which it thinks is relevant to that person into one credit report. Many people might think that lenders who do searches are simply sent a copy of the same report: but that isn't the case. When a lender contacts Experian a search will be done to pick up from the database the particular information the lender seeks on anyone who appears to match the details given by the lender. The different search could pick up different information. Also it was the search which caused Mr H's problem not the credit report. So my focus has more been on what the search picked up, rather than the credit report.

There is evidence that Experian initially had more than one version of Mr H's electoral roll records, probably because his address had been given in different ways by the Council in some earlier years. Depending on what details were given by the bank, sought by the bank and the fine details of Experian's matching systems, the multiple different historical electoral roll records could increase the risk of a search not finding the correct recent one.

Although unhelpfully different things have been said at different times by Experian about what data the bank input, it is clear to me that the bank did put in all the correct data for Mr H's address. But it does seem that it put the district name in the street field. One might have hoped that that would not cause a significant issue. However I can also see why (when address searches are often done on three data items - postcode, street name, and house name/number) that could cause a problem – for example if the search systems used by Experian tried to match all three items and the entry in the street field was not recognised.

I have seen however that shortly after the issue with Experian, the bank did check Mr H's electoral roll with a different credit reference agency, and that confirmed that his electoral roll records looked all right. I can't be sure the bank entered the data in the same way, but it could point to Experian's particular systems playing a part in the problem. The fact that Mr H says his credit report showed the same anomaly as the bank's search, also points to an issue within Experian's database.

I know it is important to Mr H to know exactly what caused the problem with the search by the bank. But I cannot be entirely sure, and I don't think that trying to get more evidence at this stage would be likely to help. However I think that the most likely situation is that in fact it was probably an unhappy combination of a number of things:

- The different variants of Mr H's address supplied over some previous years in the electoral roll system, resulting in multiple records in different formats;
- The bank putting the district name in the street field;
- The way Experian's particular systems handled the data.

I think that if any one or two of these had been slightly different the outcome of the search would probably have been correct. It seems likely to me that the capabilities of Experian's systems did play a part in the problem, but I don't think that it would be reasonable for me to hold Experian solely and fundamentally responsible.

I have gone into the detail I have, because I know Mr H is keen to have a definitive decision on the cause of the problem. But in fact the nature of our role is to try to resolve issues causing practical problems or losses for consumers: not forensic examination of how the problems arose. Mr H was able to get his credit card shortly after the initial refusal, and I'm not aware of any continued issues now with his credit record or credit searches.

I know Mr H is sure that the problem was entirely the fault of Experian, and that it will feel unsatisfactory to him not to have a definitive answer to the cause of the problem. But when the inaccurate search result did not result in a serious difficulty or long delay in Mr H getting the credit card he wanted, and Mr H has already accepted compensation from Experian for how it handled his initial attempts to resolve matters and complain, I cannot see that further investigation or redress is appropriate.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 October 2016.

Hilary Bainbridge
ombudsman