

complaint

Mr J complains that Experian Limited told him that there was a CIFAS warning on his credit file. He also believes it has recorded incorrect information on his credit file.

background

Mr J tried to open a bank account in February 2011. The bank wrote to him explaining that his application was declined for two reasons: *"First, your credit score was not high enough.... Second, to help us assess your application we consulted a licensed credit reference agency. The information they gave us relating to you or your financial associate(s) was unfavourable"*. The bank advised Mr J to check his credit file.

Mr J joined Experian's CreditExpert service so that he could check his credit file. This cost £14.99 per month. Although Mr J could not see a CIFAS warning on his credit file, a CreditExpert advisor told him during a phone call on 22 February that such a warning was on his file and he should raise this directly with CIFAS. Mr J has also pointed out inconsistencies in his CreditExpert credit score in May 2012.

Experian accepts that Mr J *"was incorrectly informed regarding CIFAS information when he first called CreditExpert"*. The CIFAS warning was for an unconnected individual. It told him there was no CIFAS warning on his credit file in April 2011. Experian has also acknowledged that a systems error led to his CreditExpert account showing an *"incorrect credit report summary"*.

Our adjudicator upheld the complaint. She found that Experian had wrongly told Mr J that there was a CIFAS warning on his credit file. She also found that there were later errors with his CreditExpert account. However, she was not persuaded that Experian had reported incorrect information about Mr J, been responsible for credit applications being declined or caused him any financial harm. She recommended that Experian refund ten months of CreditExpert fees to Mr J, and pay him £50 for the distress caused.

Mr J did not accept those conclusions so the matter was referred to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I uphold the complaint. I have, however, increased the award to Mr J.

First, Mr J has raised a separate complaint about Experian relating to his change of address. I have not covered that issue here. My decision covers only the CIFAS warning and whether Experian held incorrect information about him.

Having listened to the recordings of Mr J's phone calls to Experian, I am satisfied that Experian wrongly told him in February 2011 that there was a CIFAS warning on his credit file. It told him in April 2011 that this was a mistake but I understand why Mr J was not sure who was telling him the truth.

There are two reasons why I am satisfied Experian's error was not the reason his bank account application was declined:

- First, CIFAS told Mr J that it did not hold any information about him. Also, Mr J could not see any CIFAS warning on his credit file when he opened his CreditExpert account. On balance, I find it unlikely that Experian would have told the bank that there was a CIFAS warning against Mr J.
- Second, CIFAS's website confirms that "*information shared through CIFAS is not used to calculate creditworthiness - it is only used for the prevention and detection of fraud*". So even if there had been a CIFAS warning on Mr J's credit file, this would prompt a potential creditor to investigate further. It would not be the reason Mr J's application was declined.

I understand that this might have caused Mr J a certain amount of distress, however I am satisfied that our adjudicator's recommendation that Experian refund ten months of CreditExpert fees is appropriate in this case.

However, there was a further problem with Mr J's CreditExpert account. Despite no significant change in his financial circumstances, Mr J's CreditExpert credit score fluctuated between April and September 2012 as follows:

- 7 April 2012: 996 (excellent)
- 21 May 2012: 976 (excellent)
- 28 May 2012: 913 (good)
- 8 June 2012: 913 (good)
- 2 August 2012: 967 (excellent)
- 17 September 2012: 999 (excellent)

Experian says that this "*incorrect credit report summary*" was due to a systems error. I accept Experian's argument that the credit score is seen only by the consumer (not any potential creditor), and that Mr J did not apply for credit during this period so there was no obvious detriment. However, again I understand why Mr J was worried by this, especially given the earlier mistake regarding the CIFAS warning. I also understand why Mr J would want to make sure this was sorted out so felt unable to cancel his CreditExpert subscription.

Our adjudicator's recommendation to award an additional £50 is less than Mr J believes he should receive. In the circumstances, I agree. I assess a fair award at £100.

my final decision

My final decision is that I uphold this complaint and order Experian Limited to:

- refund ten months of CreditExpert fees to Mr J, totalling £149.99; and
- pay Mr J another £100 to reflect the ongoing problems with his CreditExpert credit score.
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Simon Begley
ombudsman