

## **complaint**

Ms F complains that, because Experian Limited holds incomplete information about her in more than one credit file, she has been unable to open new accounts. She wants this matter resolved. She complains as well about Experian's poor customer service in dealing with this matter.

Ms F also wants compensation. She says that she has been both financially disadvantaged by not being able to open new accounts, and substantially inconvenienced while trying to get this matter resolved.

## **background**

Ms F complained to Experian in August 2015. She referred her complaint to us when she had not received a substantive response after eight weeks. She said:

- She had an excellent Experian credit score (she supplied supporting evidence to us)
- Her existing bank (current) account paid only nominal interest
- In March 2015, she applied to open a higher interest account at a different bank, in order to move funds from her existing account
- Her application was turned down because of the problems with her credit file
- She later made a further application to another bank, which was also turned down

Experian wrote to Ms F in November 2015 about her complaint:

- It apologised for its poor customer service
- It explained that, within the information it held about her, there were differences of detail relating to both her name and her address
- It asked Ms F to complete a form, which would enable it to deal with the differences relating to her name
- It told Miss F that it had asked her bank to reformat the relevant information for her account, which would enable it to deal with the differences relating to her address
- It also told Miss F that, when these differences had been dealt with, it would send her a report (free of charge) showing all her accounts in one credit file

Ms F told us there was a further problem with her credit file. It did not show that she was registered on the electoral roll at her address. Our adjudicator raised this problem with Experian in December 2015.

In early January 2016, our adjudicator wrote to Experian, recommending that it should pay £100 to Ms F, in compensation for the stress and inconvenience that she had experienced.

In mid January 2016, Experian wrote back, accepting our adjudicator's recommendation. It explained that Ms F's bank had not agreed to reformat her address. It explained as well that it had made an error causing Ms F's electoral roll registration not to be shown on her credit file, and that it had corrected this error.

Ms F wrote to our adjudicator and Experian on the same day in mid January 2016, saying that it had not resolved most of the problems with her credit file. Experian wrote back in late January 2016, addressing the concerns raised by Ms F, and saying that it would provide a revised credit file report to Ms F without charge. On that basis, Ms F also accepted our adjudicator's recommendation.

In February 2016, Experian sent a £100 cheque to Ms F. But Ms F told our adjudicator that the cheque had the wrong name on it, that Experian had still not resolved the remaining problems with her credit file, and that she would not accept the agreed compensation in full and final settlement of her complaint until these problems were resolved.

At Ms F's request, her bank wrote to her in early March 2016, setting out how her address was formatted in its entry on her Experian credit file at that time. This format followed the address shown on the complaint form Ms F submitted to us in October 2015.

In late March 2016, Ms F told our adjudicator that she had heard nothing further from Experian, which meant that it had not fulfilled the undertakings it had made two months earlier. Ms F asked our adjudicator to review the compensation she should receive, given that 12 months had elapsed since she was first turned down for a higher interest account. Ms F supplied to us information on the accounts she had applied for, and copies of her current account statements showing the funds she had intended to transfer.

Our adjudicator thought that Experian had not done enough to correct the situation. She recommended that Experian should:

- Update Ms F's credit file as previously agreed
- Pay £500 to Ms F, in compensation for interest lost because she was unable to move funds from her existing bank account into a higher interest account
- Pay £200 to Ms F, in compensation for the increased distress and inconvenience she has suffered

Experian disagreed with our adjudicator:

- It reminded us that entries on Ms F's credit file belonged to the businesses which recorded them, and that it could not alter these entries without instructions from those businesses
- It did not accept that any error had occurred for which it was liable, and it strongly rejected the recommendation that it should compensate Ms F for lost interest
- It told us that the entry for Ms F's address relating to her bank account had recently been reformatted, and that this had been done after Ms F last obtained a copy of her credit file report – it confirmed as well that the reformatted address entry was as set out in the early March 2016 letter to Ms F from her bank

Ms F also disagreed with our adjudicator's recommendations. She said that she had been hugely inconvenienced over a very lengthy period by having to complain to Experian, and then having to refer her complaint to us – and she had still not received evidence from Experian that the remaining problems with her credit file had been corrected. She felt the recommended compensation was seriously insufficient, and would not encourage Experian to improve its administrative procedures.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Ms F says that she unsuccessfully applied for a higher interest account in March 2015. She also says her application was turned down because of problems with her credit file. These statements are not supported by evidence.

But Ms F had a sufficient balance in her account, and a reasonable expectation this balance would increase, to give credibility to her statement that she applied for new accounts. (The average balance in her current account over the following 15 months was around £9,300, on which she expected to receive interest of about £500 in a new account.)

In addition, Experian accepted later in 2015 that problems existed with Ms F's credit file, although it did not accept liability for any consequences of these problems. It argued, in effect, that the businesses recording information on Ms F's credit file were responsible for any problems with this information.

And so, on balance, I find that Ms F did apply for a new account in March 2015, and that her application was turned down because of problems with her credit file.

In its initial responses to Ms F's complaint, Experian gave her advice about how she might resolve her concerns. But it did not offer active help to her until after she referred her complaint to us.

In mid January 2016 (five months after she complained to it), Experian reported that it had asked Ms F's bank to help it deal with one problem, but the bank declined to do so. It also reported that the problem with Ms F's electoral roll registration was caused by an Experian error, which it had corrected. In addition, it agreed to pay compensation of £100 to Ms F.

Experian wrote to us again in late January 2016, addressing Ms F's continuing concerns, and saying that it would provide a revised credit file report to her without charge. Ms F received Experian's compensation payment in February 2016, but says that she heard nothing further from it.

Our adjudicator felt that Experian had not done enough to correct the situation, and recommended that it should pay increased compensation to Ms F. In its response, Experian told us that Ms F's bank had recently taken steps to help it deal with one of her problems. But it did not tell us whether there were any problems still unresolved, or whether it had sent a revised credit file report to Ms F. Ms F told us she had still not received evidence that the remaining problems had been corrected.

Experian also argued that the businesses recording information on Ms F's credit file are responsible for any problems with this information. I would generally accept that Experian may not be able to resolve any of remaining problems, and so I am unable to agree with Ms F that it should be told to resolve all of them – with two caveats.

Firstly, I do not accept Experian's argument in relation to the electoral roll, where it acknowledged that it made the error causing Ms F's registration to be absent from her credit file. And so, in these circumstances, I find that Experian is responsible for this problem.

Secondly, I think Ms F had a reasonable expectation that Experian would tell her whether it had resolved the remaining problems with her credit file. And so I find that Experian should now send an updated report on Ms F's credit file to her, identifying any remaining problems, and explaining why it is unable to resolve them.

Given Ms F's excellent credit score, I also think it is more likely than not that the reason why her new account applications were unsuccessful was the lack of electoral roll information on her credit file. And so, on balance, I find that Experian should pay compensation for loss of interest to Ms F.

Ms F argues that the compensation recommended by our adjudicator is insufficient, and would not encourage Experian to improve its administrative procedures. But we are not Experian's regulator, and we do not award punitive compensation.

There is a technical note about trouble and upset on our public website, in which we describe:

- how we decide whether to award compensation for distress, inconvenience, damage to reputation, pain and suffering
- how we decide what to award, where compensation is appropriate
- cases where we have awarded compensation

I feel that increased compensation of £200 in this instance (as recommended by our adjudicator) is appropriate, given the circumstances of Ms F's complaint. It is consistent with our approach to awarding compensation, and with those case descriptions and awards.

This all means that I have come to the same conclusions as our adjudicator.

### **my final decision**

For the reasons explained above, my final decision is that I partly uphold this complaint. In full and final settlement of it, I order Experian Limited:

1. To send an updated report on Ms F's credit file to her, identifying any remaining problems, and explaining why it is unable to resolve them
2. To pay £500 to Ms F, in compensation for lost interest
3. To pay £200 directly to Ms F, in compensation for distress and inconvenience

If Experian considers it has to deduct tax from the interest element of my award, it should send Ms F a tax deduction certificate when it pays her. She can then use that certificate to try to reclaim the tax, if she is entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 23 September 2016.

Roy Mawford  
**ombudsman**