

## The complaint

Mr H is unhappy with TransUnion International UK Limited (TU) reporting his financial standing incorrectly on his credit file.

## What happened

I issued my provisional findings to both parties on 24 November 2023 setting out why I thought Mr H's complaint should be upheld in part, and invited both parties to provide any further submissions in reply to my provisional decision by 8 December 2023.

The background to this complaint was set out in my provisional decision together with my provisional findings, which are included below and now form part of this final decision.

### Background

*Mr H recently noticed his credit score had fallen by 12 points, so he checked on his TU credit file and found that several accounts he owned were not being reported, or not being reported correctly. The accounts Mr H was referring to include a credit card, current accounts and a savings account.*

*Mr H complained to TU that his financial standing was not being reported correctly. TU considered Mr H's concerns but concluded they had not done anything wrong and Mr H brought his complaint to this service.*

*Our Investigator did not uphold Mr H's complaint as they did not find that TU had done anything wrong.*

*Mr H strongly disagreed as he felt TU had a responsibility to ensure they were reporting his information accurately and if they could not do this then he wanted TU to stop reporting any information about him.*

*As a resolution could not be reached the complaint has been passed to me to decide.*

### My provisional findings

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I am minded to reach a different outcome to our Investigator and I'm upholding Mr H's complaint in part for the reasons below.*

*The parties should note that I've not referred to every single point that has been raised in my findings or in my summary above, but I have considered everything both parties have submitted and focused on what I consider to be the main issues at hand.*

*Given some of the points Mr H has raised, it may help to first explain the role of this service. The Financial Ombudsman Service is an alternative dispute resolution service set up to resolve individual complaints between two parties based on what is fair and reasonable in*

*the circumstances of each case. It is not, therefore, an advocate for either party. Nor is it set up to fine or punish businesses, or request that businesses change their processes or practices – that is the role of the financial regulator, the Financial Conduct Authority (FCA), to consider.*

*Mr H has referred to the breaching of data protection laws as part of his submissions. The Financial Ombudsman Service does not have the power to decide whether a law has been breached as that is a matter for the courts. And it is the role of the Information Commissioner's Office (ICO) to uphold data protection laws and regulate businesses in that area, not the Financial Ombudsman Service.*

*As a Credit Reference Agency (CRA) TU is regulated by the FCA, and as the matter I've been asked to decide is between Mr H and TU, I've therefore considered TU's responsibilities here as a CRA.*

*CRAs provide lenders with a range of information about potential borrowers. Lenders then use that information as part of their decision making when deciding to offer credit. Information held by CRAs mainly relates to how individuals are maintaining credit and service/ utility accounts. The data held by a CRA also includes previous address information, information from the electoral roll and public records – which would include any record about County Court Judgments (CCJ), bankruptcy and insolvency data. The information held is also used for other things such as identification verification and to track fraud and combat money laundering. In addition, the government uses the data when assessing certain benefit payments, recovering unpaid tax and similar debts.*

*It is important to note that while CRAs report the data on a credit file, they do not own this data. CRAs are provided this information by data providers which include various financial institutions and other companies that provide the information I've described above.*

*The responsibility of reporting accurate and up to date information therefore rests mainly in the hands of the data providers. CRAs do not actively approach data providers for information, rather it is sent to the CRA in a data package for them to report. CRAs then report whatever information they have been given.*

*That said, there is still an expectation on CRAs to take reasonable measures to ensure the information being reported by lenders/ companies via their credit files is accurate.*

*This means, for example, if it is brought to the CRAs attention that information may be incorrect they can look into this and raise a dispute with the data provider on behalf of the individual if needed. Where appropriate CRAs then make changes to the information they are reporting if they have the permission of the data provider to do so.*

*It's worth noting the possibility that sometimes a quicker resolution may be reached separately between the individual and the data provider.*

*So what did TU do when Mr H let them know his financial standing was not being reported correctly?*

*At the end of June 2023 Mr H let TU know that his credit file was not being reported correctly. He then chased TU on 6 July 2023 as he had not received a response from them. TU replied to Mr H on 7 July 2023 and acknowledged his concerns as a complaint. On 7 September 2023 TU wrote to Mr H with their findings about the complaint. TU said they had passed Mr H's query to their data disputes team for further investigation explaining he would be contacted separately by that team. TU's conclusions were that they had not done anything wrong. Mr H referred his concerns to this service on 7 September 2023 as he was*

*unhappy with TU's response.*

*TU's submissions show that on 7 September 2023 an internal request was made between TU's staff requesting for a dispute to be raised. But I've not then seen whether the data disputes team contacted Mr H separately as TU's complaint response suggested they would. TU's internal records from late September 2023 report that TU checked their data for accounts that Mr H said weren't reporting, but they could not locate any records for the accounts Mr H had mentioned. TU speculated some possible reasons for this including that the data provider does not report to TU, previous addresses may be missing, or the data provider does not share these particular account details with TU, so it would be for Mr H to check with the data provider himself. TU also said in the submissions it's possible Mr H may (when the account/s were opened) not have given the data provider permission for his data to be shared.*

*At this point it is worth noting that not all data providers send each of the CRAs information to report. This means that sometimes information being reported by one CRA may be slightly different to another CRA. This is not within the CRAs control.*

*It is also worth noting that the purpose of a credit file is to primarily record 'credit'. So while I am aware Mr H is complaining in part about a savings account not appearing on his credit file, this is not in fact credit so I would not expect it to be reported. Further, TU have explained they only report current accounts with overdrafts as an overdraft is a form of credit. And lastly, TU have said they do not report the balances on a current account if the current account is in credit, rather the balance will report as a zero.*

*Mr H told this service the data he was disputing related to a current account, credit card account and savings account with Bank N. He was also disputing a current account with Bank L, and a current account with Bank B.*

*While TU conducted an internal search, I've not seen that any attempt was made to reach out to the data providers in question to raise a dispute with them in order to help Mr H resolve these issues. It's also not clear to me why TU did not investigate what had happened or raise any disputes when Mr H first contacted them, but instead treated Mr H's initial contact as a complaint.*

*It is my understanding that Bank N's current account is not something TU have been able to locate, and neither have they been able to find the credit card for Bank N in their data records. But they have more recently – to our service – been able to confirm that the current accounts for Bank L and Bank B are being reported correctly with a £0 balance as they are both in credit.*

*While I think this offers some clarification around some of the accounts Mr H has raised concerns about, it is disappointing that TU did not better engage with Mr H earlier on to help him resolve his problem. It is also disappointing that TU did not raise a dispute with Bank N as to why the credit card Mr H had described was not being reported to them. Bank N is a high-street bank, so I would expect them to report information to TU as one of the three main CRAs and I would expect TU to know this. And it follows that it would be reasonable to expect Bank N would report a credit card to TU. So I think TU could have done more here to help Mr H sort things out.*

*I can see in the submissions Mr H told our Investigator he wished for TU to stop reporting any of his information if they could not report it correctly.*

*It may help Mr H to know that he can ask TU to do this himself; however, to manage his expectations this may not be something TU can do for him given the basis on which they*

*hold such information is important to the UK's financial system and which the information held is used. This is something Mr H will need to take up separately with TU for them to look into. I'm aware Mr H has already contacted the ICO who will be better placed to help him in these matters.*

*I understand from the submissions Mr H has said has been at his current address for around 4 years, so he may also wish to ensure his previous addresses are being picked up on his credit file to show his credit history.*

*I realise Mr H feels strongly about how TU is reporting information about his various accounts, as while he has no intention of seeking credit at this time, reporting his financial standing correctly is understandably important to him.*

*For the most part, based on the available submissions, I think TU are reporting the information they have been provided by the data providers in question correctly. However, I think TU could have done more to help find out why the accounts with Bank N were not being reported on Mr H's credit file – most notably his credit card. In the circumstances, I think TU could have done more earlier on to help Mr H ensure his information was being accurately reported.*

*To put things right I am therefore minded to say TransUnion International UK Limited should raise a dispute with Bank N on Mr H's behalf in relation to the accounts with Bank N to see if these should be reported on Mr H's TU credit file. And for the inconvenience and upset caused to Mr H - as this has clearly upset him in relation to how his creditworthiness is being shown and because I think more action could have been taken earlier to help Mr H sort this out - TransUnion International UK Limited should pay Mr H £100.*

*Mr H should note that he can also still approach any of his banks directly himself if he wishes to do so.*

#### Responses to my provisional decision

TU replied to my provisional decision to say they had nothing further to add.

Mr H did not respond to my provisional decision by the deadline given.

#### **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.

As there is no new evidence or submissions for me to consider I see no reason to depart from the provisional findings I reached above. That is, while based on what I've seen TU are mostly reporting the information in question correctly, I think TU could have done more to help Mr H resolve his concerns about what information should be reporting on his credit file. I think this would have avoided the upset this matter has caused Mr H and the unnecessary inconvenience to Mr H in having to sort this out.

#### **Putting things right**

If they have not already done so, TransUnion International UK Limited should raise a dispute with Bank N on Mr H's behalf in relation to his accounts with Bank N to ensure they are reporting correctly.

TransUnion International UK Limited should pay Mr H £100 to recognise the upset and inconvenience this has caused him.

### **My final decision**

For the reasons above, my final decision is that Mr H's complaint is upheld in part and TransUnion International UK Limited should put things right as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 January 2024.

Kristina Mathews  
**Ombudsman**