

The complaint

Mrs B complains that TransUnion International UK Limited (TransUnion) merged her credit file with her twin sister's file and failed to resolve this when informed of the error.

What happened

Mrs B contacted TransUnion in March 2021 about a mortgage that she didn't have showing on her credit file. In April 2023, she contacted TransUnion again to say that her file had been merged with her sister's.

As no action was taken, Mrs B contacted TransUnion again in July 2023, to complain about the merging of the two credit files and its failure to rectify the error.

In its final response, TransUnion apologised for the error and confirmed its database was in the process of being corrected.

Unhappy with TransUnion's response, Mrs B brought her complaint to this service. She said:

- Her personal, private and confidential details were visible on her sister's credit report, which is a breach of GDPR and a violation of her Human Rights and the Fair Credit Reporting Act (FCRA). This also caused an unnecessary rift between her and her sister.
- She was unable to consolidate finances or apply for a new mortgage, which significantly impacted her ability to manage cost of living increases.
- This issue has had a huge impact on her mental health.

Following referral to this service, TransUnion offered to pay Mrs B £150 compensation for the distress and inconvenience caused.

Our investigator reviewed matters and concluded that TransUnion was at fault for the merging of the two credit files, and it should increase its compensation offer to £300, to more fairly reflect the distress and inconvenience caused to Mrs B.

TransUnion accepted our investigator's recommendation. Mrs B disagreed and said £300 wasn't enough to reflect the long-term negative impact on her life and mental health. She said she's always been financially independent, but TransUnion's error meant she had to rely on her husband to obtain credit she was being declined for, which was traumatic for her and caused her embarrassment. Based on what she'd seen online, she thought she should be awarded a compensation figure in the region of £2,000.

As no agreement has been reached, the matter 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 considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

It's unclear from the evidence available what happened to cause the merging of the two credit files. But I'm satisfied an error of some kind occurred and that TransUnion have taken responsibility for the error, so I don't need to decide that aspect – I just need to consider what TransUnion should do to put things right for Mrs B.

As this service is not the regulator, I cannot fine or punish TransUnion for the mistake it made. But I can consider the impact the error caused Mrs B and this is what I've thought about.

The files were separated in August 2023, which I believe to be within a reasonable timeframe from when Mrs B contacted TransUnion about the merge in July 2023. However, TransUnion was notified of a mortgage not held by Mrs B showing on her credit file back in March 2021, and the merging of the two files in April 2023.

I agree that TransUnion should've looked into the issue back in 2021, when first notified. And by not doing so, the matter was left unresolved for over two years. However, I also need to consider that Mrs B didn't follow this up until April 2023, over two years later.

Mrs B has described significant impact to her mental health, financial standing and relationships since 2021, which she considers to be a direct result of this issue. In such circumstances, I would've expected to see Mrs B make reasonable attempt to mitigate ongoing impact by following this up with TransUnion.

When asked why she hadn't followed this up sooner, Mrs B explained she had assumed the matter had been resolved after contacting TransUnion in 2021. And it was only after being refused for credit that she realised this wasn't the case. It was at this point that she obtained her credit file and became aware of it being merged with her sister's file.

This suggests that Mrs B only became aware of any potential impact caused by the error at a later date. On the balance of probabilities, I think it's more likely than not this would've been around April 2023, when she contacted TransUnion specifically about the merging of the two files and raised a dispute. And if it was earlier than this, I think it's reasonable to have expected Mrs B to raise this with TransUnion at the time.

For this reason, in addition to lack of supporting evidence, I'm not persuaded that the merging of the credit files was the sole and direct cause of Mrs B's mental health concerns and inability to obtain credit to consolidate finances over a two-year period.

I haven't seen any evidence to support the error has resulted in financial loss. Multiple considerations are made by lenders following an application for credit, and there could've been other reasons for credit applications being declined. So, for me to be able to conclude that TransUnion were responsible for Mrs B's inability to obtain credit, I'd need to see confirmation that the lending decisions made were solely based on the incorrect information showing on her credit file, and lending would've been agreed had that incorrect information not been there. I don't have this evidence here, so there is no guarantee that different lending decisions would've been made had the error not happened.

However, I do accept that Mrs B's credit file being shared would've caused her distress and concern about the safety of her personal data. And I don't doubt the concern she reported feeling when she found out her sister had sight of her borrowing and financial standing, or the impact this had on their relationship. In addition, I think Mrs B was caused avoidable frustration by having to chase TransUnion on more than one occasion to resolve the matter.

So, I do agree a compensation award should be paid to Mrs B in recognition of this. And having considered the impact caused solely by the error TransUnion made, I'm satisfied that £300 is in line with the level of distress Mrs B has suffered and within our award ranges for situations such as this.

In the absence of any evidence to support financial loss or detriment, I can't agree that TransUnion should increase the compensation from £300 to a higher amount.

Putting things right

TransUnion should now pay Mrs B £300 compensation.

My final decision

For the reasons set out above, my final decision is that I uphold Mrs B's complaint about TransUnion International UK Limited. I now require it to put things right as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 January 2024.

Nicola Bastin
Ombudsman