

The complaint

Mr G complains Equifax Limited have reported incorrect information on his credit report.

What happened

Mr G says he made two separate applications for credit, with a company, I'll refer to as Company A, but was turned down on both occasions. He says he was told the decision not to lend was made by Equifax.

As a result, he reviewed his credit report and said Equifax were reporting incorrect and inaccurate information which he says inferred he would be a poor credit risk. In summary, Mr G said:

- The way Equifax presented his information, on a dashboard and with a credit score, suggested he was a poor credit risk, and this resulted in Company A declining his application for credit
- Equifax were incorrectly reporting a missed payment with a company I'll refer to as Company B, and hard searches from another company, I'll refer to as Company C. He says they should have checked this information was accurate before reporting on it
- And Equifax made him pay for a membership to access his credit report – information he considered should be free.

Equifax said while Company A would use the information they provide, the decision to lend remains with the lender. And lenders can't see Mr G's dashboard or credit score. They also explained as they don't own the data, they aren't able to make amendments without the data owner's permission. Equifax also confirmed that while they did provide a monthly subscription, Mr G was able to get a copy of his credit report for free.

Unhappy with their response, Mr G raised his concerns with our service.

An Investigator here reviewed matters and concluded Equifax hadn't acted unfairly. They said Equifax raised Mr G's disputes with both Company B and C, as we'd expect and provided Mr G with the responses received. He went on to explain the decision not to lend was made by Company A, not Equifax, and as such Mr G would need to contact them directly about this. He also confirmed only Mr G could see the dashboard and credit score.

Mr G disagreed, in summary he said Equifax were wrong to allow unchecked data to be added to his credit report and considered, as the data owner, he had the right for incorrect data to be updated and removed. Mr G also questioned what information potential lenders see in order to make their decision and why different credit reference agencies provided differing scores.

With no resolution, the case was passed to me to decide.

I issued a provisional decision, explaining why I didn't intend to uphold this complaint. I said:

What I've provisionally 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.

Firstly, I think it would be helpful to explain the remit of our service. We look at the responsibilities of the business being complained about, here that's Equifax, and consider whether they've done what we'd expect of them. So I won't be commenting on the actions of Company A, B or C. I've addressed Mr G's concerns below.

Equifax reporting incorrect data

I think it's important to explain my role is to consider whether Equifax have acted fairly and reasonably. I've noted Mr G has said Equifax haven't followed certain rules under data protection, specifically relating to the accuracy of data and ensuring his data is handled correctly. I'm required to decide what I think is fair and reasonable in all the circumstances of the complaint taking into account the relevant law, industry rules and guidance, and what would be considered as good industry practice.

With this in mind I've also considered the Information Commissioner's Office (ICO's) guidance, which says Credit Reference Agencies (CRA's), such as Equifax, are required to take reasonable measures to ensure the information is accurate. In other words, I need to decide whether Equifax in Mr G's case took reasonable measures when Mr G raised his concerns regarding Company B and C with them.

Equifax don't own the data they report on – the data is owned by lenders and other third-party companies. This means Equifax aren't generally responsible for the data provided, but must ensure the data is accurate, and investigate this when a dispute is raised.

Following Mr G's contact Equifax correctly disputed the entry with both Company B and C. On both occasions they did this on the day Mr G raised his concerns, so have acted fairly in this regard. Company B and C responded to Equifax to say Mr G needed to contact them directly – neither gave Equifax authority to amend or delete the records. Equifax emailed Mr G on 17 March, sharing Company B's response and 28 March, sharing Company C's response. Both emails were sent promptly after Equifax received the information from the data owners – as expected.

Taking everything into account, I'm persuaded that when Mr G raised his dispute with Equifax about Company B and C, they did as I'd expect and contacted the data owners. Equifax don't own the data, so they can't change it without permission from either company. As they weren't given the necessary permission, they are required to let Mr G know, but there's nothing more they can do in the circumstances. I've also not seen anything to suggest that Equifax has knowingly or willingly breached data protection rules in taking the actions they did.

Equifax's Dashboard and Company A's decline

Mr G considers the incorrect data from Company B and C, along with how the data was presented contributed to his applications being declined by Company A.

As explained, Equifax don't own the data and I think they took the necessary actions to raise Mr G's concerns with the relevant data owners. As such I can't hold Equifax responsible for any decline resulting from this data. I also note Company B wasn't showing on Mr G's credit report in January, when his application was declined, so I can't say this would have impacted the application in any case.

Mr G also questions why different CRA's provide differing scores. I think it would be helpful to explain how this process works. As Equifax has explained, the score they provide is used only as an indicator of how a consumer handles credit and no one except the consumer and Equifax has access to the score it generates. The score itself is based on an algorithm using the data on the credit report, each CRA has its own algorithm based on the criteria it thinks is important and as such different providers may show Mr G different scores. And while I appreciate Mr G considers the way Equifax calculates his score reflects him as being a poor credit risk, this isn't what lenders rely on to make their decision to lend. Each lender has their own system in place to assess applications and don't have access to Equifax's credit score or dashboard - only the information about the types of credit a consumer has.

Given this I can't see how the score Equifax provided, or its dashboard could have impacted Mr G's ability to obtain credit.

Equifax membership

Mr G says during a telephone call in January 2023, Equifax unfairly signed him up to a monthly subscription to access his credit report – which he says he should have been able to access for free. Mr G has difficulty hearing and as such says this shouldn't have been processed by telephone.

Mr G spoke with Equifax about his report on 26 January. Having listened to the call Equifax activated Mr G's account, as he said he wanted to make use of the 30-day free trial. During the call Equifax explained they could provide a copy of Mr G's report for free – it was agreed this would be posted to him. Mr G didn't make a payment or provide payment details over the phone – he needed to log in to the portal to provide this information, which he did.

Equifax then emailed Mr G the same day, confirming he'd signed up to a free trial, which was due to end on 25 February. At which point he would be charged each month to continue the subscription.

Following this, Mr G made two monthly payments, in February and March. He then cancelled the subscription, and no further payments were made.

Given this, I'm persuaded Equifax didn't sign Mr G up to the monthly subscription during the telephone call in January. I consider it was also made clear to Mr G, in writing, the first 30 days would be free, and that following this he would be charged monthly unless he cancelled the subscription within this time, but he didn't do this. While there were some additional services available using the paid service, Mr G was able to access the basic report without the paid subscription, and I think Equifax made that sufficiently clear.

Responses to my provisional decision

I invited both parties to respond with any further points or evidence they wanted me to take into account before I made a final decision.

Equifax acknowledged what I'd said but didn't make any further comments.

Mr G also responded – he didn't agree with what I'd said and reiterated his concerns about how Equifax had handled his data. He questioned why credit reference agencies were able to process information in different ways, as well as raising some additional points. In summary these were:

- Equifax should remove all data they hold about him
- Our service should require all credit reference agencies to reflect his report correctly, without information from Company B
- This has caused professional harm and embarrassment as he's required to purchase items for work on credit and reclaim expenses

Mr G also disputed when the missed payments with Company B were first shown on his credit report – he said this was in November 2022 – not 2023.

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.

Having done so, I've reached the same outcome as set out in my provisional decision.

As a reminder, I'm only able to consider the actions of Equifax and whether they have done what is expected of them.

I do take on board Mr G's concern about what he says was false information being recorded by Equifax, but as explained, this information was not something Equifax have the power to amend, without the data owner's consent.

In my provisional decision I explained Equifax aren't owners of this information. Their responsibility is to raise Mr G's dispute with the data owners – Company B and C, which Equifax did. In this case, neither company authorised Equifax to amend, or delete the record.

I understand Mr G's concerned about his professional reputation, as he's required to use personal credit to purchase work related items, but this isn't something I can hold Equifax responsible for either. This is because the way lenders choose to interpret a credit report, to support any lending decision, is the responsibility of individual lenders and not Equifax.

Mr G has reiterated his concerns about how Equifax has handled his data and asked our service to require Equifax not to keep data about him – but this isn't something I'm able to ask Equifax to do. I do however think it would be useful to refer here to information from the ICO, that can be found on their website, this says:

Do the CRAs need my consent to hold all this information on me?

No. Data protection law doesn't actually require the CRAs, or any other organisation, to have your consent before they are allowed to process your personal data. They can use it without consent if they have a valid reason and as long as you have been told what is going to happen to your data. These reasons are known in the law as a 'lawful basis', and there are six lawful bases organisations can use. If you have taken out a loan or credit card you will probably find details of this in the original terms and conditions that you signed.

While Company A's decision to lend isn't something I can comment on, I think it's important to clarify that I've reviewed Mr G's credit report from both January and April 2023. In January – when he was declined credit with Company A - there was no record of Company B on his report. And as such, this could not have impacted Company A's decision to lend. However, Company B is referenced in Mr G's credit report from April 2023, and states the credit began in October 2022. So I can understand why Mr G has questioned this – but based on what I've seen, I'm persuaded it wasn't there in January 2023. I also note in Mr G's credit report from January 2024, that he's shared with me, Company B is no longer mentioned.

As part of Mr G's response, he's provided information from other CRA's and asked our service to require all CRA's to reflect his report in the same way. In addition, he's said he's been refused credit by another, separate company, which he refutes. As I'm only able to look at the actions taken by Equifax, it's not appropriate for me to comment on information from other CRA's or third-party lenders, nor require them to take any action as a result of this complaint. If Mr G remains unhappy with these organisations, he'll need to raise these concerns with them directly.

I understand Mr G would like to understand more about how lenders interpret his credit report, but unfortunately this isn't something our service is able to advise on. He's explained he'll be contacting the ICO, but he may also wish to speak to Citizens Advice, or other similar organisations.

My final decision

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 February 2024.

Victoria Cheyne
Ombudsman