

The complaint

Mr C complains Equifax Limited were reporting incorrect information on his credit file and it took them too long to resolve the issue.

What happened

Mr C says in February 2022 he accessed information provided a third party which showed Equifax were reporting incorrect information about him. Mr C spoke to Equifax, and found they were reporting two defaults for the same account with a company I'll refer to as M. During investigations it was established the account had been sold by M to a debt purchaser who I'll refer to as P. Both M and P were reporting a default for the same account.

Equifax provided multiple responses to Mr C's complaint, but ultimately accepted they should have acted sooner as M told them they'd sold the debt to P. So, they should have removed the default registered against M's entry, even though M themselves hadn't authorised them to do so. In their last response, Equifax offered £100.

Unhappy with this, Mr C contacted us and asked us to look into things. He said matters had been ongoing for a long time, the stress of this issue had meant he'd needed to visit his doctor, and he wasn't able to get good credit. Mr C told our service he felt £3,500 would be a fair way to compensate him for everything that's happened.

One of our Investigators considered things, and overall felt total compensation of £250 was fair – the £100 Equifax had previously offered, plus a further £150.

Equifax accepted this, but Mr C didn't, he said this didn't fully reflect the stress he'd been under and the amount of times he'd had to contact them. So, the complaint's 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.

From the information I have, Mr C first disputed the defaults on 11 February 2022, and Equifax were first told by M that these were duplicate defaults just six days later. I say this because following Mr C's contact Equifax raised a dispute with M about the two defaults – and M said on 17 February 2022:

"The default date is showing as 12/4/2021 at Equifax. If the default is showing differently at P... then as the account is now held by them then you would have to contact P... directly about this. The account initially defaulted with M... so this is correctly registered. The Credit File will indicate that the account was then sold onto P... with the default. The Customer has one default associated with this account"

Equifax have said the lender didn't give them permission to remove the default entry at this time. And I can see they've previously explained to Mr C they're not able to make changes to

the data unless the data owner agrees to this. That's because Equifax don't own the data they report – companies like M do. But, Equifax do have a responsibility to ensure the data they're reporting is accurate, and are required to take steps to correct the data where it's inaccurate.

Equifax have since accepted they could have removed the account with M – this though wasn't until March 2023. So, it's not in dispute Equifax have made an error. And I understand the default with M was removed in March 2023 when Equifax realised their error. This means the only remaining question is how much compensation to award.

One of the issues Mr C has complained about is he couldn't get good credit because of this error – but I don't think the error has impacted Mr C's ability to get good credit too much. That's because Mr C, without M's default, still had two defaults on his credit file – one from P, and another from another company. So, I wouldn't be able to say Mr C couldn't get good credit solely because of the delay in removing M's default from his account.

I don't doubt Mr C was put under considerable distress about the failure to remove the default. But looking at how things happened, although a year went by before Equifax accepted they'd made an error – there were times when Mr C wasn't in touch for several months. I've also seen several occasions where Equifax were asking for information which Mr C wasn't replying to clearly so they could investigate the matter, which caused some further delays.

I do think matters have taken far too long, but at times there are delays / gaps which I can't attribute to an error on Equifax's behalf. So, weighing everything up, I'm satisfied a total compensation award of £250 is fair. It's unclear if Equifax have already paid the £100 they offered Mr C – if they have, then they can deduct this from the total payment they now need to make.

My final decision

I uphold this complaint and require Equifax Limited to pay Mr C a total of £250 compensation. If they've already paid him £100 compensation offered, then they can deduct this when sending him the final payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 November 2023.

Jon Pearce
Ombudsman