

The complaint

Mr M complains TransUnion International UK Limited (TU) took too long to dispute an entry on his credit file.

What happened

Mr M had an existing default on his account which he settled with the data provider – who I'll call E. In December 2022 Mr M noted the default was still showing incorrect and raised a dispute with TU on 25 December 2022. He received an update on 8 February 2023 saying his dispute had been passed to E. In response, Mr M complained as he felt things were taking too long.

TU explained it's the data provider who supplies the information they show, and they can't remove or update this information without the data provider's consent – otherwise it'll just show up in the next automatic monthly update. TU said they could see Mr M got in touch on 25 December 2022, and they raised the dispute with E on 29 December 2022. TU said their records show they received a response shortly afterwards, which said they'd recorded the account as settled, and the data would be sent as part of the automatic updates. E told TU there wasn't anything they needed to do.

TU said because of this it appears the email of 8 February 2023 was sent in error, as they'd already contacted E. And, having reviewed Mr M's credit report again, they could see E are still reporting the account as in default, so they'd contacted them again. TU accepted they'd made a mistake in emailing Mr M on 8 February 2023 and said sorry for this. The entry on Mr M's credit file was ultimately removed.

In response, Mr M asked if TU were going to compensate him for the damage to his credit file. TU said no, as it was E who sets the status of his account, so he'd need to contact them directly.

Unhappy with this Mr M asked us to look into things. One of our Investigators did so but found TU had contacted E as they'd said they had – so he didn't think any compensation was due.

Mr M didn't accept this. He said the main issue with credit applications being declined is because his credit file still shows the default as outstanding when it should be settled. 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.

The starting point in this case is whether TU contacted E as they said they did. That's because if they did, then they've done what I'd expect them to do.

The evidence on file shows Mr M raised his dispute on 25 December 2022, and that TU did contact E on 29 December 2023 as they said they did.

The response from E on 17 January 2023 says:

"Having reviewed the account, I can see the defaulted balance was paid in full on 08/11/22. As the balance has been cleared on the account this will mean that the Credit File will automatically update with all the Credit Agencies to show as a satisfied default. This is a system driven process, therefore no manual intervention is required at this stage."

Generally speaking, TU can't update their records unless the data provider says they can do so. Here, E haven't given permission for TU to update the records and are clear in saying they'll be updating Mr M's account status to show the default has been satisfied. In the circumstances, I don't think TU have done anything wrong, as E have said they'd update the records.

TU have provided a copy of the email they sent to Mr M to let him know of E's response. This was sent also on 17 January 2023. They say in this email that after investigating it with the lender, they've said the account should be amended to show the defaulted balance was paid in full on 8 November 2022. So, reflecting what E had told them.

It's good TU passed on E's reply, but I think they could and should have been clearer. In this email, as well as reflecting what E had told them, they said:

- 1) *We can confirm that we are in the process of updating the account to reflect this. Please allow seven days for this amendment to show.*
- 2) *This update will be reflected on your credit report within the next 4-6 weeks when we next receive an update from this lender.*
- 3) *A search of our records today shows that this amendment has already been made.*

I think it's fair to say given the three options all contradict each other TU should have chosen one of those. In Mr M's case, it was option two, and I think that would have been helpful for him to have explicitly been told that.

The next contact Mr M received was the incorrect email of 8 February 2023 where TU said they'd raised Mr M's dispute.

I think the above two messages are quite sloppy, and TU could and should have done better.

Following Mr M's complaint, TU did then dispute the entry with E again. I've noted TU said this wasn't something they had to do. But, Mr M was still disputing the entry, so I'd have expected TU to have done so, and am pleased to see they did. This second contact by TU to E seems to have led to the entry being removed.

Overall, the primary impact to Mr M is about the entries not being removed as early as he expected. This isn't something I can hold TU responsible for given what I've outlined above. I do think TU's responses to Mr M have been sloppy, but they have said sorry for some of their administrative failings. In the circumstances, I'm satisfied that's a fair resolution to this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2024.

Jon Pearce
Ombudsman