

The complaint

Ms O is unhappy because she believes Lloyds Bank Plc ('Lloyds') has incorrectly reported information to credit reference agencies.

What happened

In September 2022 Ms O was looking to take out a mobile phone contract and obtain a mortgage. She was declined for both and say this is because her sister's address had been linked to her credit file.

Ms O could see that her sister's address has been linked to her credit file by the third party debt collection company Lloyds had previously sold her debt to. She felt Lloyds was responsible for this and it had passed her information to the third party.

Ms O contacted Lloyds to make a complaint about this. It responded and said it couldn't see that it had linked her sister's address. But, to make sure it wasn't reporting information incorrectly it updated its reporting to make sure the incorrect address wasn't linked. It also offered Ms O £80 for any inconvenience caused.

Ms O didn't accept this as she didn't feel it was enough. She brought the complaint to our service. Our investigator looked into things and ultimately decided that Lloyds' offer of compensation was sufficient in this case. Ms O didn't accept this, so the complaint has been passed to me to make a decision.

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.

Ms O has provided evidence that an address that isn't her own appears to be reporting amongst the information some credit reference agencies hold about her. She's obtained this information through a third party subscription service that collates information being reported by three different credit reference agencies.

The information she's provided doesn't show any adverse information on Ms O's credit report as a result of this address link. What it does show is that a third party debt collection agency has linked the address information she's complained about. So I don't think this provides persuasive evidence Lloyds is responsible for this information being linked to her credit file.

Lloyds has reviewed its records and has provided evidence as far as it can that the only address it has ever held, and therefore reported, is Ms O's correct address. It's also separately provided evidence of what information it is reporting to a credit reference agency, and this does not include any reference to the incorrect address. Despite this it has accepted mistakes can happen and has contacted the credit reference agency it reports to and asked it to remove any incorrect links that may exist. This update ought to have been reflected on Ms O's credit report around 60 days after the request was made back in October 2022.

I understand Ms O believes the information the third party is reporting to credit reference agencies has been provided by Lloyds and so Lloyds is ultimately responsible. But the third party agency reporting the information is a separate business and I don't think it would be fair or reasonable to hold Lloyds responsible for its actions. I'd also add that as I've outlined above, it doesn't seem Lloyds has ever held any record of the incorrect address to pass on to a third party.

If Ms O continues to believe the incorrect address is still present on her credit file and is impacting her ability to obtain credit, she should contact the third party debt collection agency that appears to be reporting it. That said, I can see from the other evidence she's provided that the credit reference subscription service she's been using has asked the credit reference agencies to remove the link. And at the time she provided the evidence two of the three it contacted appeared to have confirmed they had removed the information. So again, it may be that the correction has now been made.

Ms O has said as a result of the incorrect address on her credit file she's been declined a mobile phone contract and a mortgage. She's also said she had to have an uncomfortable discussion with her employer about her credit history.

Ms O hasn't provided any evidence that supports she has been declined for these services or that it's a result of an address link. As I've mentioned, I haven't seen anything to suggest the address link itself has resulted in adverse information on Ms O's credit file. I've also noted that she's previously said these declines were as a consequence of other incorrect information Lloyds has reported on her credit file. She's raised separate complaints and has received compensation in relation to this.

But in any event, overall, based on the evidence I've seen I'm not persuaded Lloyds is responsible for the incorrect address link Ms O has complained about. Even if it had been, it has requested any links are removed and has offered her £80 in recognition of any distress caused. I don't think it needs to do anything more.

My final decision

Lloyds Bank Plc should pay Ms O £80.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 5 March 2024.

Faye Brownhill
Ombudsman