

The complaint

Mrs W complains Equifax Limited added a third party to her credit file.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

Mrs W says she was on holiday, when she had a notification to say her credit score had dropped. When she checked, Mrs W noticed a third party had been added to her credit file – and she could see all of their accounts. Mrs W says this ruined her holiday, because Equifax told her it was different lenders who had added the accounts – so she spent a lot of her holiday calling those lenders – but actually it was Equifax who had got it wrong. Mrs W was also very concerned the third party could now see her details – including her address – as she'd had problems with this third party in the past.

Equifax explained this happened due to an error in their data matching system. They said their system makes some allowances of differences in data such as where an individual transposes their first and middle names, or where a date of birth is entered in error or due to fraudulent activity. They added the similarities in personal information led to the third party's information appearing on her report – but just because Mrs W can see their details, doesn't mean they can see Mrs W's details. Equifax said they'd loaded a Notice of Disassociation (NoD), and this removed the third parties details and prevents any further occurrence of this issue. Equifax added they'd found service failings around Mrs W calling them, so overall upheld her complaint and offered her £150.

Unhappy with this Mrs W asked us to look into things. One of our Investigators did so, and overall felt £300 was a fairer reflection of the distress caused to Mrs W.

Mrs W and Equifax both did accept this – but then the issue kept repeating despite Equifax's assurances the NoD would prevent this. Our Investigator ultimately couldn't resolve this, so the complaint's been passed to me to decide.

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.

Equifax have accepted their systems have made an error in linking Mrs W and the third party. And, as I understand it, the matter isn't resolved currently – though I'll come back to this.

As Equifax have accepted they've made errors, then I need to decide whether the £300 compensation our Investigator suggested is fair.

Mrs W said this issue first happened while she was on holiday, and she had to call multiple different data providers because Equifax had told her they were responsible. She's provided

evidence of her speaking to at least one data provider – and this supports what she’s then told our service. So, I accept the inconvenience Mrs W was caused on holiday initially.

In addition, I can see she’s asked multiple times if the third party can see her information – to be told Equifax can’t disclose what’s on a third party’s report. I’d suggest that’s correct most of the time as they can’t disclose someone else’s data, but when Mrs W is asking if her data is present on someone else’s report, then I think they could and should have given her a more definitive answer. As it turns out, the third party hasn’t been in touch with Mrs W since this started around June 2023. So, I think it’s more likely than not the third party didn’t get Mrs W’s details. But, I think the impact of Mrs W thinking the third party might have is quite significant – and over an extended period of time too.

In addition, I’m disappointed Equifax told Mrs W the matter would be resolved by placing a NoD on her account. I know from experience this only works to ‘some’ degree and isn’t a guarantee – as it has sadly proven. Mrs W has told us as recently as January 2024 information for the third party is still showing on her account.

I also have questions over why the third party’s details are appearing in the first place. Equifax explained to Mrs W it may be because someone has slightly different names, or a slightly different date of birth – but Mrs W’s day, month and year of birth are quite different to the day, month and year for the third party. I do accept some similarities are present here, which is perhaps making things slightly harder than usual – but I still think Equifax should have been able to satisfactorily resolve this before now. It’s over six months since she reported this issue.

So, taking all of that into account, I don’t think £300 compensation is fair. I’m currently planning to increase the compensation to £500 which I think is a fairer reflection of Equifax’s failings.

I’ve also noted Mrs W said at one point she’s having to pay for access to Equifax’s service but previously she’d only had the free service to keep an eye on her credit score. In the circumstances I can see why she feels it’s necessary to pay for this – because of Equifax’s errors. So, assuming Mrs W did only sign up to a paid service with Equifax from around June 2023 onwards, then I’ll be asking them to refund each monthly payment – and pay 8% interest on each payment for the amount she’s been deprived of from the date of payment to the date of settlement. If though Mrs W was utilising the paid service before June 2023, then I won’t be refunding these payments on the basis I can’t be certain she wouldn’t have chosen to continue with them anyway. Equifax can provide evidence to dispute this if they’d like. In the absence of that evidence, I’ll assume they agree with refunding these fees.

Finally, the current situation as told by Mrs W to our Investigator recently, is that incorrect information is still showing on her account. From Equifax’s most recent communications I’m confident they do actually want to resolve this for Mrs W – but I think having us as an intermediary is less efficient than Mrs W and Equifax discussing matters directly. I’m aware Mrs W tried that, and I don’t think Equifax did enough at the time – but they now know considerably more. So, although I have no power to require anything of Mrs W, I’d ask her to be receptive to the approach I’m currently planning to order Equifax to make to her in an effort to finally resolve this for her.

If Mrs W isn’t satisfied with the outcome of those conversations, then she can raise a new complaint. But, to be clear, this decision covers the impact that’s happened to her up to the date of this decision.

Putting things right

I currently plan to uphold this complaint and require Equifax Limited to:

- *Pay Mrs W £500 compensation*
- *Refund each monthly payment for Equifax's subscription service from June 2023 onwards (if she signed up to the service then or after) – this direction will be rescinded if Mrs W was already using this service in line with the above*
- *Pay 8% simple interest* from the date of each monthly subscription (if paid) to the date of settlement*
- *Contact Mrs W to have direct discussions with her in an effort to finally resolve this matter*

**HM Revenue and Customs requires Equifax to deduct tax from the interest payment referred to above. Equifax must give Mrs W a certificate showing how much tax they've deducted if she asks them for one.*

Responses to my provisional decision

Equifax replied and said:

- They were happy with my provisional decision
- There was no evidence of Mrs W paying for Equifax's subscription service
- A linked address has been removed

Equifax provided this response before Mrs W replied, so our Investigator relayed this information, and asked Mrs W for her reply to my provisional decision, and this information. She said she didn't have any paid subscription services – she'd just used their free trials, but these have run out now and she hopes the information is now correct.

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.

I thank Mrs W for clarifying she didn't pay for Equifax's subscription service.

In the circumstances then, as Equifax and Mrs W have accepted the outcome I've reached, I've seen no reason to change it – apart from removing any requirement for Equifax to refund subscription fees.

I still require Equifax to pay Mrs W £500 – and to contact her to make sure her credit file is now accurate.

Putting things right

I uphold this complaint and require Equifax Limited to:

- Pay Mrs W £500 compensation
- Contact Mrs W to have direct discussions with her in an effort to finally resolve this matter

My final decision

For the reasons I've explained above I uphold this complaint and require Equifax Limited to carry out the actions in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 21 March 2024.

Jon Pearce
Ombudsman