

The complaint

Mrs K complains TransUnion International UK Ltd merged her credit file with a family member.

What happened

Mrs K says while applying for a mortgage, she became aware TransUnion had merged her credit file with a family member. She contacted TransUnion on 16 July 2023 to tell them what had happened.

Mrs K successfully completed on her property purchase on 27 July 2023 but explains the worry she experienced up to this point caused her significant distress.

On 29 July 2023 Mrs K complained to TransUnion, saying they had breached General Data Protection Regulations.

TransUnion responded on 16 August 2023 confirming the incorrect data had now been removed from her credit report. However, Mrs K didn't agree this had resolved matters, saying the error had almost prevented her from obtaining her mortgage and she would like compensation for the worry and upset caused.

With no resolution, Mrs K contacted our service, explaining that while the error had now been fixed, she hadn't received an apology or explanation from TransUnion about what had happened. She also explained that she'd been extremely anxious her mortgage would be declined.

While the complaint was with our service, TransUnion issued its final response on 6 November 2023. In this they apologised, confirmed the database had now been corrected and offered £250 in compensation.

Mrs K said this didn't fairly resolve her complaint considering the errors they'd caused and because her mortgage could have been declined. Later letting us know she thought TransUnion should award at least £1,000 considering the upset, emotional damage and length of time it took to fix things. In addition, Mrs K said the data breach broke her human rights and would impact her credit score for some time. She also said there was a very real possibility her identity could have been stolen.

An Investigator here reviewed matters and concluded that while TransUnion had made an error, they'd rectified this. And while the situation would have been concerning for Mrs K, she was able to purchase the property and there was no ongoing impact. As such, she considered £250 was a fair and reasonable amount to resolve matters.

Mrs K disagreed, saying our Investigator hadn't taken into account the impact this had on her wellbeing and nor had she asked TransUnion if they'd be willing to offer £1,000 in the circumstances.

Our Investigator asked TransUnion for their comments – but they didn't agree to increase the offer. The Investigator looked at everything again but explained the additional information she'd received didn't change things and £250 fairly resolved matters.

With no resolution, the case was 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.

Firstly, given Mrs K says the data breach by TransUnion has broken her human rights I think it's helpful to make clear I can't decide on this aspect. The reason for this is because I can't make a legal finding like that. Our service is an alternative to the courts, which is reflected in our informal nature. As such, I'm required to take into account the law, rules and regulations, and good industry practice, but overall decide things on a fair and reasonable basis.

It's not clear what happened to cause this issue, but there is no dispute between either party that TransUnion made an error in merging Mrs K's credit file with a family member. So all that's left for me to consider in this decision is how much compensation TransUnion should pay Mrs K.

Mrs K was in the process of purchasing a house when she became aware of this issue. This would have been an already stressful time, so I can understand why she was so concerned about the impact the error could cause. However, I'm pleased to see Mrs K's mortgage application and subsequent house purchase was successful – she's let us know the purchase was completed on 27 July 2023.

I can only decide things based on what actually happened, rather than what might have happened. In this case the application was successful, and Mrs K didn't incur any financial loss as a result. That's in no way meant to take away from the distress Mrs K would have faced – but based on what I've seen, she found out the application had been successful around two weeks after she became aware of the issue. So I've taken this into account when deciding what I consider to be fair compensation.

TransUnion told Mrs K the files were separated on 16 August 2023 – one month after she contacted them about the merge, in July 2023, and that's what our Investigator has said too. While it seems the files were separated at this point, I've also noted it took until November 2023 for TransUnion to remove some residual searches. It's not clear exactly what these residual searches were for, but I've thought about whether they caused any further impact to Mrs K. Based on what I've seen, I can't say they have. I say this for a number of reasons, firstly Mrs K says her main concern was her mortgage application being declined – which as explained, fortunately didn't end up happening, so this delay hasn't impacted on that aspect. I've also not seen anything to suggest Mrs K experienced any financial loss as a result. So while it's disappointing these residual searches weren't removed when the files were separated, I can't say the delay has impacted Mrs K more than the extent she's already experienced.

I've also thought about Mrs K's concerns about having her identity stolen. As her family member was the only other person able to see her information, and ultimately this didn't happen, I don't think it's reasonable to increase the compensation for this reason either.

Mrs K has said the error will impact her credit score for some time – but I don't agree. TransUnion have corrected the error, separated the files, and removed all residual searches. So this error shouldn't have a lasting impact on her file.

While I understand Mrs K considers she should get more compensation, I'm required to consider each complaint individually and on its own merits. Overall, as explained, I agree this would have been a stressful time for Mrs K, but I've seen nothing to say the error has caused financial loss or ongoing detriment. And while I think TransUnion could have handled things better, and Mrs K had to chase them for a response initially, I've not seen enough contact to justify increasing the award above £250.

With that in mind I'm satisfied that £250 is in line with the level of distress and inconvenience Mrs K has suffered and within our award ranges for situations like this.

My final decision

I uphold this complaint and require TransUnion International UK Ltd to pay Mrs K a total compensation amount of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 9 April 2024.

Victoria Cheyne
Ombudsman