

The complaint

Mr C is unhappy with his Equifax Limited credit score.

What happened

Mr C was unhappy with his low Equifax credit score, particularly as his credit score with another credit reference agency (CRA) was much higher. Mr C said that a negative marker on his credit file should have been removed in 2021. Mr C said that despite signing up for the electoral roll in May 2023, it didn't appear on his credit file and a credit card account was also missing.

After Mr C complained to Equifax, it referred his concerns about the default with the business who asked that he contact its' outsource partner.

Equifax explained that Mr C wasn't registered on the rolling electoral register until September 2023 which is why his electoral roll entry didn't appear at the time he complained. Equifax said the credit card account didn't appear on his credit file as it was likely the lender had not shared this information with it. Equifax suggested that Mr C contact the lender.

Equifax gave Mr C some general information about how he could improve his credit score going forward.

As Mr C wasn't happy with the outcome of his complaint to Equifax, he came to us for help. Our investigator didn't uphold Mr C's complaint. He thought Equifax had given enough detail about how credit scores work, together with steps Mr C would take to improve his score.

Our investigator noted that Mr C's Equifax credit score was negatively impacted by missing electoral roll data and the default. Our investigator pointed out that Mr C's credit report with another CRA didn't include the address where the default was registered. This might explain why his score was higher with the other CRA.

Our investigator said that after Mr C disputed the default, Equifax referred the matter to the business concerned which said the entry should not be removed and that Mr C should speak with the third party collecting the debt. He suggested that if Mr C thought the default had been registered incorrectly, he should speak with business concerned.

Mr C doesn't accept our investigator's recommendation so the complaint has come to me to decide. Mr C says although his Equifax credit score has increased, it's still lower than the one he holds with the other CRA. He would like Equifax to increase his credit score to a level closer to one he holds with the other CRA.

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 realise that I have summarised this complaint in less detail than the parties and I've done

so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern the Financial Ombudsman allow me to take this approach. But it doesn't mean I have not considered everything that both parties have given to me.

I am sorry to disappoint Mr C but I don't think Equifax has treated him unreasonably, so I am not upholding his complaint.

It might help to explain that Equifax is reliant on the data it receives from a business and can't usually change that data unless the business instructs it to. When a customer disputes an entry on their credit file, I would expect the CRA concerned – in this case Equifax – to refer the dispute to the business involved. I'm satisfied that once Mr C raised his concerns about the default entry with Equifax, it raised a query with the business who in turn said Mr C should contact its' outsource partner to discuss the matter further. So, I don't think Equifax acted unreasonably about the default.

Although Mr C says he was registered on the electoral roll at his current address since May 2023, the evidence supplied by Equifax shows that his local council didn't provide this information until September 2023. So, I don't think Equifax made a mistake with Mr C's electoral roll information. It had also suggested in July 2023 that Mr C ask the council to supply a letter showing he was on the electoral roll. Again – I think this was a fair response.

Each CRA has its own method and algorithms for generating credit scores. Just because Mr C's credit score is higher with one CRA, doesn't mean it must be the same with Equifax.

Equifax says that Mr C's credit score is negatively impacted by the default and the fact he's only been on the electoral roll at his current address for a short time. So, I'm satisfied that Equifax has given him a reasonable explanation of why his credit score might be higher with the other CRA.

I should also repeat what our investigator and Equifax have told Mr C – the credit score that he can see is just for his information. Equifax supplies credit data to lenders who then use this along with any information the applicant has provided, to assess a credit application and calculate a credit score based on its own mathematical model. Equifax doesn't decide the outcome of a credit application. The credit score on Mr C's personal Equifax file isn't given to prospective lenders. It is just an illustration of how Equifax thinks lenders might view his credit history.

I'm satisfied that Equifax has explained to Mr C what factors may have affected his credit score. I can't see any evidence to suggest that Equifax has recorded the wrong credit information about Mr C. So, there is no reason for me to require Equifax to amend his credit score.

As I don't find Equifax made a mistake with Mr C's data and I'm satisfied that it dealt fairly with the queries that he raised, I'm not asking it to take any other action in response to his complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 May 2024.

Gemma Bowen

Ombudsman