

The complaint

Miss A complains that her Credit Karma UK Limited credit score was too low because her electoral roll registration wasn't recorded. Miss A also complains about the service provided by Credit Karma after she highlighted the issue.

What happened

In October 2023 Miss A contacted Credit Karma after viewing her credit file as she noticed her credit score was lower than expected. Miss A's explained that she wasn't recorded on the electoral roll at her address. Credit Karma's agent asked Miss A to obtain a credit report from the credit reference agency that supplies the data it uses to provide customers with credit files. Miss A went on to provide the credit report requested but no action was taken by Credit Karma.

Miss A revisited the issue with Credit Karma at the end of November 2023 and raised a complaint. Credit Karma requested another copy of Miss A's credit report which was supplied. Credit Karma then contacted the credit reference agency it obtains data from (T) and the issue was investigated.

Between Credit Karma and T they found that the format of Miss A's address meant the electoral roll information wasn't automatically linked to her credit file. The issue was ultimately resolved in January 2023 with Miss A's electoral roll information being shown from that point.

Credit Karma issued a final response and confirmed the initial enquiry Miss A made had been closed without the problem being investigated and resolved and apologised. But Credit Karma didn't agree it had made a mistake in terms of the electoral roll information recorded with T and used on its credit file. Credit Karma later offered Miss A £50 for the distress and inconvenience caused by the service provided.

An investigator at this service looked at Miss A's complaint. They agreed that the service provided by Credit Karma had been poor at times but felt the offer to pay £50 for the distress and inconvenience caused was a fair way to resolve Miss A's complaint. Miss A asked to appeal and said Credit Karma's offer didn't reflect the amount of time spent trying to resolve the issues raise or that she had to raise two separate cases before anything was done. As Miss A asked to appeal, her 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.

I can understand why Miss A was concerned about the lack of electoral roll information showing on her credit file with Credit Karma. Miss A's explained she was looking to apply for a mortgage around this time so needed to be sure her credit file was correct. And I agree that Credit Karma should've taken better care to ensure Miss A's initial query was dealt with after she forwarded a copy of T's credit report.

With that said, I haven't seen anything that shows the initial issue Miss A experienced with the electoral roll information not showing on her credit file was caused by a mistake by Credit Karma. Once the enquiry was investigated with T it was confirmed that the address format for Miss A was causing the issue. T was able to link Miss A's address with the electoral roll information provided by Miss A's local authority which resolved the issue. So whilst I understand why Miss A was concerned she wasn't showing as being registered on the electoral roll, I'm satisfied that the issue wasn't caused by Credit Karma directly. And I'm satisfied that once Miss A's query was investigated, Credit Karma took the necessary steps to resolve the problem.

Miss A first notified Credit Karma of the problem in October 2023 but had to go back at the end of November 2023 when the issue wasn't resolved. I agree that Credit Karma should've followed through once Miss A provided the credit report it requested. And it's clear that by failing to do so, Miss A had to raise the issue for a second time.

I think it's fair to note that Credit Karma has confirmed that its service is only used by consumers who wish to view their credit file, not by businesses or prospective lenders. That means no business or other party carrying out a credit search on Miss A for lending purposes would've seen the electoral roll information (or lack of) on her credit file with Credit Karma.

Whilst I understand my decision is likely to come as a disappointment to Miss A, I'm satisfied Credit Karma's offer of £50 is fair. There was always going to be some inconvenience caused to Miss A after the error was found. I'm satisfied the £50 offer fairly reflects the additional inconvenience Miss A experienced by having to raise the problem with Equifax for a second time.

As I'm satisfied Credit Karma has already agreed a settlement that is fair and reasonable in all the circumstances I'm not telling it to do anything else.

My final decision

My decision is that Credit Karma UK Limited has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 13 June 2024.

Marco Manente
Ombudsman