

The complaint

Miss O complains TransUnion International UK Limited (TU) merged her credit report with two other people.

What happened

In July 2024 Miss O was in the process of applying for a mortgage – and was advised by her mortgage broker to check her credit report after a mortgage application failed due to a credit search.

When checking her credit reports using a different company, Miss O found TU had merged her credit file with two other people. Miss O disputed this through the other company – but TU said they wouldn't change anything. Miss O then complained to TU about the issues she experienced.

TU replied and said sorry for the error in linking Miss O to the two other people. They explained they receive hundreds of millions of personal data records every month from many sources – and as there is no unique single identifier for a person, they have to rely on data which can sometimes be keyed wrongly – such as names, dates of birth and so on. They again said they were sorry on this occasion it hadn't worked for Miss O. TU upheld her complaint, and said if she could provide documentary evidence of her losses then they'd consider them.

Unhappy with TU's reply, she asked us to look into things. She explained she almost lost the home she was trying to buy but has had to go with a mortgage rate higher than she'd have liked due to this error. Miss O also said TU haven't addressed the cause of the issue and doesn't think they'll take any steps to resolve the issue.

One of our Investigators considered things, and upheld the complaint awarding £250 for the stress, trouble and upset she experienced. But he didn't think anything should be awarded for Miss O's claim of increased mortgage costs, as he didn't think her evidence was enough to do so.

Miss O said she thought her evidence was enough to show she'd lost out – and wasn't sure what else she could provide. She told us she'd provided everything she thought she could. Miss O also didn't think a compensation award of £250 would motivate TU to make any changes. So, the complaint's been 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.

There is no dispute that TU have made an error – the two other people shouldn't have appeared on Miss O's credit report.

So, the question is how to put this matter right. Miss O is claiming for financial loss in terms of taking out a mortgage with a higher rate – something she's said would cost her over £1,000 extra for the time she's fixed. And she doesn't think the compensation of £250 is likely to make TU properly deal with the matching issues.

I do need to explain my role is to consider the individual dispute raised. I can't 'fine' TU for poor practices or otherwise punish them – but I can award financial losses they've caused to a consumer, and award compensation for the impact on a consumer.

Turning to the financial losses first – Miss O's claim here is for a mortgage rate which is higher than she otherwise says she'd have got. We did ask her to provide evidence of this, and unfortunately for her she wasn't able to do so. I can see our Investigator explained that mortgage applications can fail for a variety of reasons.

I do note Miss O's comment that two other mortgage providers were prepared to lend to her once the TU issue was resolved. But I don't think that can automatically mean the single and sole reason her application with the original mortgage lender failed. The application process got as far as a soft search on Miss O's credit file – which is a very early stage in the process. Lenders all have different criteria and thresholds for what they might be prepared to accept.

In Miss O's case, because her application with the original mortgage lender didn't progress very far, I can't legitimately say the sole issue was due to the TU matching problem. So, for that reason, I won't be awarding her the financial losses she's claimed. I am though sorry to hear she's having to pay more for her mortgage than she thinks she otherwise would have.

I will though be awarding Miss O some compensation – and to be direct, I'm very surprised TU didn't think this was appropriate to do so in their final response. I realise TU might say they'd consider financial losses if Miss O could provide documentary evidence of it – and it's unclear if that happened or not. But as a bare minimum it's clear that finding out two other people were on her credit report when she's applying for a mortgage would have had an impact on Miss O.

Awarding compensation isn't an exact science – it's about weighing up the impact on the individual and considering what a fair figure might be. There is no doubt in my mind how incredibly frustrated and anxious Miss O would have felt – and this matter went on for around six weeks before they removed the incorrect details. Here, our Investigator felt £250 was fair – and under the circumstances I'm satisfied that's a reasonable amount.

My final decision

I'm partially upholding the complaint and require TransUnion International UK Limited to pay Miss O £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 19 December 2024.

Jon Pearce
Ombudsman