

The complaint

Mrs H complains TransUnion International UK Limited (TU) allowed a search on her credit file for a fraudulent application.

Mr H has supported Mrs H in bringing this complaint, but I've just referred to her in this decision for simplicity.

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 H unfortunately had her personal details stolen in an online hack. In April 2024 when checking her credit file, as she did regularly, she noticed a search from a gambling company which she hadn't applied for herself – so this was a fraudulent application. Mrs H says she's got a Protective Registration (PR) with Cifas which TU ignored when carrying out this search.

TU explained their role as a credit reference agency (CRA) is to collate and share consumer information to assist with things like credit applications, and anti-money laundering checks. They said they receive information from various sources, and their contracts make it clear those companies must fulfil their required data protection requirements. TU added from a contractual basis, there is no requirement for them to provide evidence of authorisation for a specific search, but if Mrs H did have concerns she should raise that with the company in question. TU confirmed they'd removed the search from Mrs H's credit file, but they didn't think they'd done anything wrong.

Unhappy with this Mrs H asked us to look into things – pointing out TU sent their final response to the same email address the fraudsters had used to open the gambling account. One of our Investigators considered things, but overall didn't uphold the complaint.

Mrs H didn't accept this, she didn't think it was good enough the search was carried out without any challenge given the PR.

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.

My role in deciding the outcome of this case is to ensure a fair answer has been provided to the complaint – rather than answering every question Mrs H may raise.

Based on everything I've seen so far, I don't think a fair answer has been provided to Mrs H by TU, which I think has had an unfair impact on her.

Typically, complaint handling isn't something our service has the ability to consider when raised in isolation – but here I think TU's complaint handling has added to the distress Mrs H

experienced when she found the search on her credit file – so I'll be taking it into account when reaching my outcome.

Before I get to that though, I need to explain some information.

On Cifas's website about PR's it contains the following information:

When you request Protective Registration, we place a warning flag against your name and other personal details in our National Fraud Database. This tells any organisation that uses Cifas data to pay special attention when your details are used to apply for their products or services. Knowing you're at risk, they'll carry out extra checks to make sure it's really you applying, and not a fraudster using your details.

And

The service works by prompting Cifas members to carry out extra checks to prove your identity to prevent further fraud.

The only activity that TU were involved in here was facilitating a credit search on Mrs H's credit file. Based on my understanding of how the PR works, I can't see that it's designed to hold TU or any other CRA responsible if all that's done with them is a search.

The purpose of the PR is to ensure the genuine person is applying for a product. The product that was applied for here was a gambling account – meaning it was that company's responsibility to ensure the genuine person was applying for the account. The fact it wasn't, isn't something TU can or should be held responsible for. Ultimately, all it seems they did is allow a search to take place – which is standard in the industry and not something that's obviously wrong or inappropriate, regardless of any Cifas PR marker.

Any information given by TU would only have been passed over to the gambling company. Given Mrs H has since told the gambling company this was a fraudulent account, which they appear to have accepted, then they'd be responsible for removing any data they hold which they shouldn't. If Mrs H continues to be concerned about this, she can raise those concerns to the Information Commissioner's Office. In addition, I understand why Mrs H wants to know what data was shared with TU, but I don't think it's necessary for me to explore this – TU received enough information to carry out a search on Mrs H's credit file and didn't do anything wrong in doing so.

I can see Mrs H is also unhappy with TU's handling of her complaint – which includes them sending their response to the complaint to the compromised email address.

I can't investigate these issues as they're not something our service always has the power to. I do though think TU failed to provide a clear response to the complaint that'd been raised. From what I can see instead of addressing the issues Mrs H raised, they just provided a general explanation – full of jargon – which didn't help Mrs H. So, while I can't award any compensation for TU's failing in how they handled the complaint, I did want Mrs H to know I thought TU didn't properly address what she said.

My provisional decision

Mrs H said further checks should have been carried out to ensure the application wasn't fraudulent. She said she'd spoken to Cifas and they'd confirmed TU should have carried out further checks.

TU accepted my PD.

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 understand Mrs H says she's spoken to Cifas, and they've confirmed TU should have done more.

As I wasn't party to that conversation, I can't know precisely what Cifas will have understood from it.

But, objectively stepping back and looking at TU's role in this complaint, I simply can't see how they can or should be held responsible for a fraudulent account application being made in Mrs H's case. Although the PR was applicable, this is for lenders who have all the information to assess applications against their own criteria. TU as a credit reference agency facilitate in gathering personal information – but in Mrs H's case I can't see why or how they should be held responsible for the failure of another company to detect a fraudulent application.

For those reasons, I still don't think TU have done anything wrong in this case.

My final decision

For the reasons I've explained above, I don't uphold this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 January 2025.

Jon Pearce
Ombudsman