

The complaint

Mr M complains that Creation Financial Services Limited declined his application for finance.

What happened

Mr M applied online for a buy now pay later credit agreement to purchase a new Hoover from a retailer. He completed the credit application online and received an email to say his application had been approved and he could collect his item.

When Mr M went to the store, the retailer entered the transaction on the system and told Mr M his application had been declined. Mr M wasn't able to collect his item and says he was left embarrassed in front of other customers.

Mr M complained to Creation. In response, Creation said that although Mr M was initially informed he'd been accepted for finance, when further checks were carried out when he provided his details in store, the application was declined.

Mr M wasn't happy with the response and complained to this service. He feels that the further credit checks were carried out in store without his permission.

Our investigator didn't uphold the complaint. He didn't think Creation had acted unfairly in carrying out additional checks before completing the lending process because it had a discretion to decide whether to lend or not.

Mr M didn't agree. He said he wasn't told there would be further credit checks and said this should've been made clear to him when he applied online.

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've looked at everything to decide whether Creation did anything wrong. Having done so, I don't think it did. I'll explain why.

I understand that Mr M was initially told that his application had been accepted. Creation has explained that after further checks were carried out in store, the application was declined. Whilst I don't think the reason for the decline is a particular issue in this complaint, I would say that generally, finance providers are obliged to provide the main reasons for the decline. In this case, Creation has said that its internal lending criteria wasn't met.

I understand that Mr M feels that he should've been told that further checks would be carried out in store. Creation has provided this service with some screen shots from the application process. These show what would appear in store at the point of application and say that further checks will be carried out as part of the identification process. It's not clear from the screenshots whether Mr M was told that his application would be subject to further checks and/or that he could be declined in store even if his application had been accepted online.

However, whether Mr M was told this or not, ultimately it's up to Creation to decide whether or not to approve or decline an application for credit, based on its internal risk model.

Creation has provided information to show that it looked at a range of factors when it carried out its additional checks. I'm unable to say (for reasons of confidentiality) the specific reason for the decline. But I haven't seen anything to suggest that Creation treated Mr M unfairly when it conducted its checks.

I appreciate that part of Mr M's complaint relates to the staff at the retailer and how they handled things. I'm only able to look at the aspects of the complaint which relate to the finance provider here, so I can't comment on the customer service Mr M received in store.

Taking everything into account, and whilst I appreciate that this has been a frustrating experience for Mr M, I'm unable to say that Creation has done anything wrong.

My final decision

My final decision is that I don't uphold the complaint,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 May 2021.

Emma Davy
Ombudsman