

The complaint

Mr H complains that Creation Financial Services Limited (“Creation”) rejected a credit application he made to them and haven’t explained why.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead I’ll focus on giving my reasons for my 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 know it will disappoint Mr H, but I agree with the investigator’s opinion. Please let me explain why.

Where the information I’ve got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

It is for Creation to set their lending criteria and if they decide not to lend the Standards of Lending Practice explain that they should provide the primary reason why.

Here Creation have done that. They explained that they refused to provide credit to Mr H because of information on his credit file.

That’s what we’d expect them to do in these circumstances so that Mr H was able to review his file and rectify anything that was incorrect.

Whilst I understand Mr H’s frustration that Creation haven’t provided any further detail, I don’t think it’s unusual or wrong for a business to refuse to do so. If borrowers understand the business’ lending criteria they may be able to manipulate the process, so businesses are always understandably reluctant to provide greater detail and we wouldn’t ask them to.

My final decision

For the reasons I’ve given above I don’t uphold this complaint

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 6 May 2021.

Phillip McMahon
Ombudsman