

The complaint

Mr E complains that he was declined for a credit card by NewDay Ltd (NewDay).

What happened

In September 2020, Mr E applied for an Amazon credit card from NewDay. They declined his application.

Mr E complained. He wanted to know why he was declined. He now can't get the £10 gift card from Amazon – which was the incentive for getting a card.

NewDay said their decision to issue credit cards, or not, was based on several factors, including their internal risk policy and information from credit reference agencies. On this occasion, Mr E didn't meet their criteria.

Mr E brought his complaint to us. Our investigator initially said he would award Mr E compensation of £50 – because NewDay couldn't evidence the eligibility checks they'd done. But after NewDay responded, he issued a second opinion and didn't uphold Mr E's complaint.

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.

Mr E applied for an Amazon credit card issued by NewDay. He was rejected at the eligibility stage – that is, the initial checks carried out by NewDay. He wants to know why he was turned down – as he wants to get the bonus offer of £10 for taking out an Amazon credit card.

NewDay – like all lenders – have their own criteria and processes for accepting or declining to take on customers. These also change from time to time, depending on their risk appetite and several other things like the economy. I can see that Mr E failed to get past their initial eligibility tests – if he had then he would've then gone through to the full credit application stage.

I have to say – that the acceptance criteria for lenders like NewDay is down to their own commercial judgement. In other words, it's up to them to decide who they want to accept and who they don't. They don't have to tell us, or their prospective customers (like Mr E) what those criteria are – because they're confidential, and commercially sensitive.

So – while I can see that this is frustrating for Mr E, I'm afraid to say – because of that, I can't uphold Mr E's complaint. And I therefore, I won't be asking NewDay to do anymore here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 September 2021.

Martin Lord
Ombudsman