

## **The complaint**

Mr G complains that Number One Police Credit Union Limited (T/A No 1 CopperPot Credit Union) declined his application for a short term loan because he now lives abroad. He's unhappy that Number One Police Credit Union Limited (T/A No 1 CopperPot Credit Union) no longer lends to members who are non-UK residents.

## **What happened**

Mr G is a longstanding member of Number One Police Credit Union Limited (T/A No 1 CopperPot Credit Union), hereafter referred to as "CopperPot". Whilst he used to be a UK resident, he moved overseas around 11 years ago.

On 13 April 2021, Mr G said he contacted CopperPot over the telephone to apply for a short term loan. He was informed during this telephone call that his loan would be processed within two days. However, on 16 April 2021, CopperPot explained to Mr G that he wasn't eligible for a loan because he is a non-UK resident.

Mr G was unhappy with CopperPot's decision to decline to lend to him and complained. He said CopperPot was aware that he wasn't a UK resident on 13 April, when he applied for the loan. And he said it had offered to lend him funds knowing he was living overseas.

In its final response to Mr G's complaint, CopperPot explained that it had changed its policy on lending post Brexit, which had led to it taking a decision not to lend to non UK residents due to complex and cost prohibitive financial regulations and licence requirements within EU member states. It stated that its decision not to lend to Mr G was in line with its new lending policy. But it accepted it hadn't changed its website to show the impact of its new lending policy on its overseas members.

CopperPot also acknowledged that Mr G had been given incorrect information about his eligibility to borrow. It apologised for that and explained that additional training had been provided to the staff member who'd spoken to Mr G on 13 April. To put matters right, CopperPot offered Mr G £40 compensation for the trouble and upset he'd experienced in receiving incorrect information. It also offered to pay him £10 for any potential loss in dividend that he might suffer as a result of withdrawing funds from his savings account.

Being dissatisfied with how CopperPot had offered to resolve his complaint, Mr G referred it to our service. Our investigator empathised with Mr G but they didn't recommend upholding this complaint. They thought the compensation Mr G had been offered fairly reflected the trouble and upset he'd have experienced as a result of the incorrect information he'd been given. And they explained that our service can't interfere with a business decision not to lend to overseas members. So, they didn't think that CopperPot had done anything wrong or needed to do anything more here. But Mr G disagreed and asked for the matter to be referred to an ombudsman for a final 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.

Whilst I sympathise with Mr G's situation, I've reached the same conclusion as the investigator for broadly the same reasons. I understand that Mr G will be disappointed with my conclusions, so I'll explain why I don't uphold this complaint.

I can see that the Mr G has provided evidence together with very detailed submissions about this complaint. I want to assure him I've read and considered everything that both he and CopperPot have sent when reaching my decision. I haven't referred to all the points Mr G has raised as I've focused on what I feel are the key issues of this case. I hope he won't take that as a discourtesy; my approach reflects the informal nature of our service.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I'm sorry to hear about the difficulties Mr G experienced here. He's told our service he's been reliant on CopperPot to finance his borrowing needs while living abroad. So, I can understand how the change in policy may have been met with frustration and surprise by him. It's also clear that Mr G has suffered some upset and inconvenience in dealing with CopperPot and for that I'm sorry. However, the issue here is whether CopperPot acted unfairly in deciding not to lend to Mr G given his residency overseas.

Like our investigator, I'm satisfied that CopperPot had the right not to lend money to Mr G given its change in policy on lending to its members. I say this because Mr G isn't a UK resident and CopperPot made a decision to change its lending policy in around February 2021 insofar as it no longer lends to non-UK residents for the reasons it outlined in its final response letter to Mr G.

I appreciate this is frustrating and inconvenient to Mr G. But, as a business, CopperPot is entitled to make commercial decisions about who it lends money to. We're not the regulator of banks. So, we can't tell a business to change its policy, or to adopt the changes that Mr G might like.

Based on the evidence I've seen, I'm satisfied that CopperPot declined to lend to Mr G based on the fact that he lives overseas. I'm persuaded that, in reaching a decision about Mr G's loan application, CopperPot followed its new lending policy and this is why it wasn't able to offer him the loan he wanted. This isn't a case of CopperPot discriminating against Mr G as an individual member. And I think CopperPot provided a very detailed explanation of why it had decided not to lend to Mr G, and other non-UK residents, in its final response to this complaint.

CopperPot has accepted that Mr G experienced poor service as a result of being given incorrect information about his loan application on 13 April 2021. I think it was reasonable for Mr G to expect a staff member to be aware of the new lending policy and its impact on overseas members. This would have avoided the confusion, and false expectation, that the incorrect advice created.

To recognise the poor service Mr G received, CopperPot has offered Mr G £40 compensation. It also offered him £10 in potential loss in dividends he may suffer as a result of withdrawing funds from his savings account.

Like our investigator, I'm satisfied the sums offered to Mr G are a reasonable amount that fairly recognises the impact this all would have had. It's in line with what I would have suggested had no offer been made, and it's consistent with our approach in similar

scenarios. It isn't clear whether CopperPot paid Mr G the amount it offered. If it hasn't already done so, CopperPot should make payment of the £50 it offered to resolve this complaint to Mr G.

CopperPot says that it also took additional measures, which included amending its website to include reference to the fact that loans can only be offered to UK residents and providing additional training to its staff member who gave incorrect advice. I think that was sensible. And, having seen CopperPot's website, I'm satisfied that it's now clear that loan applicants must be resident in the UK to be eligible for borrowing.

I appreciate that Mr G feels very strongly about the issues raised in this complaint and I've carefully considered everything he's said. But I don't think CopperPot has made a mistake here in not lending money to him. It's dealt with this complaint fairly and done all it can to resolve this dispute. So, I won't be upholding this complaint or asking CopperPot to do anything further to resolve it.

This now brings to an end what we, in trying to resolve his dispute with CopperPot informally, can do for him. I'm sorry we can't help Mr G any further with this.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 January 2022.

Julie Mitchell  
**Ombudsman**