

## **The complaint**

Mr S complains that NewDay Ltd trading as John Lewis Partnership Card declined his credit card application. Mr S also complains that NewDay didn't give him a clear explanation setting out why the application had been declined in good time.

## **What happened**

Mr S made two applications for a John Lewis Partnership credit card with NewDay in October 2022. Both applications were rejected by NewDay. NewDay provided basic information about the type of factors that could lead it to reject an application, including information found on Mr S' credit file.

Mr S spoke with NewDay about its decision to decline his application. During one of the calls, Mr S explained a utility supplier had registered a default on his credit file but that the *energy ombudsman* had directed the business to remove it. But despite completing a further application with NewDay Mr S wasn't approved for a credit card.

Mr S complained and spoke with another agent at NewDay. During the call, Mr S explained that no one had given him a specific reason why his application had been declined and that if NewDay had done so he could've taken steps to resolve the issue.

NewDay issued three responses to Mr S' complaint but didn't agree it had made a mistake or acted unfairly. NewDay said it had reviewed Mr S' applications in line with its lending criteria but found he wasn't eligible. NewDay gave information concerning the sort of factors it considers, including details found on an applicant's credit file. NewDay also recommended Mr S obtain a copy of his credit report so he could review the information contained.

Mr S referred his complaint to this service and it was passed to an investigator. They thought NewDay had dealt with Mr S' applications and complaint fairly and didn't ask it to take further action. Mr S asked to appeal, so his complaint has been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I've looked at the information available and listened to calls Mr S had with NewDay concerning his applications. I appreciate Mr S wanted to be given specific reasons why his application was declined so he could address them. But lenders won't normally provide a

detailed explanation concerning the specific reasons why an application wasn't successful as doing so could be used to identify confidential lending criteria. But lenders are obliged to give broad explanations concerning the sorts of issues that may have affected a credit card application when notifying an applicant about its decision.

NewDay has provided a copy of the message it sent Mr S when his applications were declined. The message contains general information about NewDay's lending criteria along with advice on how to obtain a credit report from the credit reference agencies. So whilst I understand Mr S wanted to NewDay to give a specific reason at the outset, I'm satisfied it did give him guidance on why his application was unsuccessful.

When Mr S called NewDay after his first application he explained there was a default on his credit file for around £200 that related to an energy bill. But Mr S said the energy ombudsman had told the reporting business to remove the default. As a result, the agent Mr S spoke with reset the application to allow him to reapply. Having listened to the call, I think the agent was of the view the utility supplier had been told to remove the default in the period after Mr S made his first credit card application was made. I appreciate the default remained on Mr S' credit file, but I think the agent's advice to reapply was made on the basis they thought the default had been removed.

I also think it's fair to say Mr S appears to have been aware of the default showing on his credit file and the impact it may've had on his credit card application. I appreciate Mr S has told us the default was recorded on his credit file in error and should've been removed. But I'm satisfied it remained on his credit file at the point he made applications to NewDay so it was reasonable for it to factor that in when considering whether to proceed.

I'm very sorry to disappoint Mr S but I haven't been persuaded that NewDay treated him unfairly or made a mistake when it declined his applications. Ultimately, I'm satisfied NewDay correctly applied its lending criteria. As I'm satisfied NewDay dealt with Mr S' complaint fairly, I'm not telling it to do anything else.

### **My final decision**

My decision is that I don't uphold Mr S' complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 August 2023.

Marco Manente  
**Ombudsman**