

## **The complaint**

Mr H has complained that HSBC UK Bank Plc, trading as first direct, invited him to apply for a credit card, but then declined his application. This has affected his credit file.

## **What happened**

Mr H had recently moved his bank account to first direct. He then received an email, inviting him to apply for a credit card. He thought he'd been sent the offer as his finances had already been assessed, and first direct was willing to give him a credit card.

Accordingly, Mr H made an application, but it was declined. Mr H complained to first direct, but it didn't uphold his complaint. He then brought it to our service.

One of our investigators looked into what had happened, but didn't recommend that then complaint should be upheld. He noted that first direct is required to carry out a proportionate affordability check. And, having done so, it didn't want to proceed with Mr H's application.

Our investigator explained Mr H felt first direct already had his credit file information, as he'd recently switched bank accounts. But this would have been out of date by the time of the credit card application. He also noted that first direct had made Mr H aware that any application is subject to a credit search, which Mr H agreed to when he applied for the credit card.

As regards a reason for the application being declined, our investigator said first direct has indicated it was connected to his level of external borrowing.

For these reasons, he didn't think first direct had recorded the declined application unfairly on Mr H's credit file.

As Mr H disagreed, his complaint's been passed to me.

## **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 this will be disappointing for Mr H, but I agree with our investigator's conclusion, and for the same reasons he gave.

I'm satisfied that first direct made it clear in the invitation email that any subsequent application would be subject to checks. So, there was no guarantee of Mr H being accepted, or advice that he'd already passed any checks.

Further, I can see that first direct explained to Mr H its reasoning for the application being declined. So, I think it acted fairly in this respect.

I know this is frustrating and disappointing. But I don't think first direct has acted unfairly in recording the application on Mr H's credit file.

**My final decision**

For the reasons given above, it's my final decision not to 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 21 March 2024.

Elspeth Wood  
**Ombudsman**