

The complaint

Mr C complains that NewDay Ltd (NewDay) rejected his most recent credit card application, without explaining 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 C, 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's for NewDay to set their lending criteria but if an application is refused The Standards of Lending Practice set out by the Lending Standards Board expects them to provide their main reason for rejecting it. NewDay don't have to provide much detail as that could lead to consumers manipulating their credit approval process in the future.

Here, NewDay have provided a reason. They explained:

"... when you apply for a credit card, we base our decision on various factors. For example, the current financial climate, our internal risk policy, and Information about your credit history from credit reference agencies.

We consider many aspects of your credit file when we review your application, Including whether:

- you're registered at your current address;*
- your accounts are registered at your current address and previous addresses;*
- how you've managed your accounts so far;*
- how anyone you are financially linked to manages their accounts;*
- what credit you're using and how much credit you could access;*
- how affordable your current and expected future situation is."*

I understand Mr C's thinks that's opaque, but I think NewDay have provided sufficient information for Mr C to understand their reasoning and I wouldn't expect them to provide more. I'm not asking them to take any further action.

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 C to accept or reject my decision before 26 February 2024.

Phillip McMahon
Ombudsman