

The complaint

Mrs K complains that Bank of Scotland plc, trading as Halifax, unfairly denied her application for a credit card.

What happened

After being recommended by a friend Mrs K applied for a Halifax credit card to use in case of emergency when going overseas. Mrs K made several applications including those made after visits to a local branch, but all were declined. Mrs K eventually complained to Halifax as she didn't understand why her applications were being declined.

In its final response Halifax said Mrs K hadn't passed all its checks, and so couldn't open an account for her. It said the branch referred the matter to its Personal Lending Department for further consideration, but it couldn't change the original decision. Mrs K wasn't happy with this response and brought her complaint to this service.

Our investigator concluded that Halifax hadn't done anything wrong, but Mrs K didn't agree and asked for a decision from an ombudsman. She said no valid reason had been provided as to why her application had been refused. She said if no reason is given to her, and she meets the same criteria which has been used for other people, then the only conclusion she can reach is that she has been discriminated against without any reason being given.

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 realise this will come as a disappointment to Mrs K but having done so I won't be asking Halifax to do anything further.

I trust Mrs K won't take it as a discourtesy that I've condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it to reach the right outcome.

It's for a business to decide whether it will offer credit to someone and, if so, how much and on what terms. Where one business may provide credit another may not. Lenders are not obliged to tell us their lending criteria as this can be commercially sensitive. Nor am I able to instruct a business to offer credit to a customer. My role is to decide whether Halifax has treated Mrs K fairly and reasonably when it dealt with her applications.

Halifax said in its final decision:

“you told us how much you earned, what your share of housing costs were each month (nil) and if you had any other major monthly commitments. We then used

information we held about you and from credit reference agencies to estimate the monthly minimum repayments on what you already owed. We estimated expected day to day living costs... As you didn't pass all of our checks, we couldn't open an account for you, and we declined your applications. The branch referred the matter to our Personal Lending Department for further consideration, but we couldn't change the original decision."

Halifax told this service that it received several applications from Mrs K in August and September 2023. It said the initial application was completed on 17 August and was declined due to affordability. It said the subsequent application was declined as Mrs K had already applied within the last 30 days. It also said that the applications received contained differing information in relation to her income.

Each lender has their own criteria and base their decision on information including but not limited to that provided by the customer and credit reference agencies. I'm satisfied based on what I've seen that Halifax hasn't done anything wrong when it made the decision not to proceed with Mrs K's applications at the time they were made.

Mrs K expressed some concern that she has been discriminated against because other people in a similar situation have been accepted for an account. My role is to resolve individual disputes between businesses and consumers so I can't make any comment about other consumers' applications. I want to reassure Mrs K that I see no evidence Halifax discriminated against her when it made its decisions on her applications. While I realise this will disappoint Mrs K I'm satisfied Halifax assessed her applications fairly.

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 Mrs K to accept or reject my decision before 3 May 2024.

Maxine Sutton
Ombudsman