

The complaint

Mr G complains Tesco Personal Finance PLC trading as Tesco Bank turned him down for a credit card account despite saying he was pre-approved.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

In April 2023 Mr G was checking his credit file with one of the credit reference agencies (CRA's) and saw he was pre-approved for a Tesco credit card. He clicked through to the Tesco website, says he entered the same information the CRA had, and was turned down for the card. He felt this was deceptive because he was told he was pre-approved, and he'd like the credit search removed because of this.

Tesco said they take into account a variety of information, including information provided when he applied, information from the CRA's, and information from fraud prevention databases. Tesco said Mr G's application didn't meet their internal lending criteria, but they're not able to explain further as the information they use to make their decisions is classified as sensitive data. They added they understand he was pre-approved, but some of the application data was changed during the online process, meaning the card was no longer pre-approved. As they wouldn't overturn their decision, they also said they wouldn't remove the credit search.

Unhappy with this, Mr G contacted us and said he hadn't changed any of his pre-approved information.

One of our Investigators considered things but found Tesco had turned down Mr G's application fairly.

Mr G didn't agree with that, he said he felt the wording was deceptive. He added if it referred to doing credit checks then he couldn't dispute that, but the wording didn't. As Mr G didn't accept our Investigators outcome, the complaint's been passed to me to decide.

What I've provisionally 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.

The wording when Mr G applied for the credit card said:

“To get this card: Complete your application and we'll do some standard fraud, anti-money laundering, bankruptcy and identity checks. There's a small chance your application may still be declined depending on these checks or if you change the pre-filled information on your application form.”

Tesco have said some of the application data was changed during the process of Mr G applying for the credit card.

Mr G disputes this, and says he didn't change any of the information he provided Tesco.

Although Mr G was noted as being "pre-approved" the same information said he was 'pre-approved to 80% chance of approval'. So, I don't think he was guaranteed the credit card, nor would I generally expect anyone to be until relevant checks had been carried out.

But, I do think Mr G has a point about the wording. Tesco haven't been able to confirm or evidence the specific reason to our service for why Mr G was turned down. I've noted Tesco told Mr G some of the application data was changed during the process, but Mr G disputes that.

Tesco have given some information, which is commercially sensitive so I can't share it with Mr G. But that information doesn't fully satisfy me they've handled his application completely fairly. Tesco have said part of the reason they can only provide limited information is due to the time that's passed.

While I understand that challenge, ultimately I need to weigh up all of the evidence I've got. And, here, I'm not satisfied Mr G has been fairly treated.

Responses to my provisional decision

Mr G said he was happy with the outcome.

Tesco provided information which is essentially the same as what they provided before.

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.

Tesco told Mr G the reason they turned down his application is due to different information in what he entered on the CRA's website to the one with Tesco. And, Tesco have confirmed they can't provide evidence of these differences.

As I mentioned, they have provided some information, but that information appears to be the same as what they provided before – which I said I wasn't completely satisfied with. To be fully satisfied Tesco had fairly communicated the chances of him getting the credit card, and that they'd fairly turned him down, I'd need to see the differences in information he gave – and that the reason he was turned down was due to the checks they said they'd carry out. As a reminder, that was:

"To get this card: Complete your application and we'll do some standard fraud, anti-money laundering, bankruptcy and identity checks. There's a small chance your application may still be declined depending on these checks or if you change the pre-filled information on your application form."

I've not seen the differences in information, and I'm not satisfied the information Tesco have provided meets the above wording. So, I'm still upholding this complaint.

My final decision

For the reasons I've explained above, I require Tesco Personal Finance PLC trading as Tesco Bank to:

- Remove the hard search from Mr G's credit file
- Pay Mr G £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 March 2024.

Jon Pearce
Ombudsman