

The complaint

Mr V complains that Bank of Scotland plc, trading as Halifax, were unreasonable to turn down his loan application.

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 V, but I agree with the investigator's opinion. I'll explain why.

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.

Halifax didn't have to provide a loan for Mr V, that's a business decision they are free to take and will depend on their appetite for risk. They also didn't have to explain the precise reason why they rejected Mr V's complaint as to do so may have risked them sharing commercially sensitive information about how they assess applications, and that may have made it easier for consumers to get around those checks in the future.

I would, however, expect Halifax to treat Mr V fairly and it wouldn't be fair, for example, for them to have rejected the application on the basis of his age. Halifax have shared some information with us about how they assessed the application and, while I'm unable to share that with Mr V, for the reasons I've already set out, I don't think their decision was unreasonable and I'm not asking them to take any action.

Mr V has suggested Halifax should remove the search they reported to his credit file. Halifax have an obligation to report accurate information to the credit reference agencies. As they performed a search and would have needed to do so in order to assess whether the loan was sustainably affordable for Mr V, I don't think they need to remove that report.

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 V to accept or reject my decision before 28 May 2024.

Phillip McMahon

Ombudsman