

The complaint

Mr A is unhappy that American Express Services Europe Limited (AESEL) refused his application for a credit card when a third-party website indicated he had a 100% application approval chance.

What happened

Mr A wanted to open a credit card account and used a third-party website to search for a suitable account. The third-party website indicated to Mr A that if he were to apply to AESEL for a credit card account, he would have a 100% chance that his application would be successful. Mr A applied to AESEL based on this information, but his application was declined. Mr A wasn't happy about this, and he also wasn't happy that AESEL had recorded a credit search on his credit file because of the failed application. So, he raised a complaint.

AESEL responded to Mr A and said that they didn't feel they'd done anything wrong. AESEL also explained that an eligibility checker can never guarantee a successful application, and that all applications are only confirmed after they have been subject to further checks that an eligibility checker can't be aware of or consider. Mr A wasn't satisfied with AESEL's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that AESEL had acted unfairly in how they'd managed the situation and noted that AESEL had demonstrated that they would never provide a 100% application approval eligibility score. As such, they felt that if Mr A was unhappy at being provided such a score by the third-party website, Mr A's dispute about that matter would be with the third-party website directly. Mr A remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Mr A has explained that he applied for the AESEL credit card account because he was provided with a 100% eligibility score by the third-party website. But AESEL have confirmed that they would never provide a 100% eligibility score, because they always retain the right to reject a formally submitted application following the additional checks that a formally submitted application entails. This is explained in AESEL's terms and conditions as follows:

"The Eligibility Score does not guarantee that any card application made by you will be successful. A card application will be subject to further checks including fraud and additional credit checks as well as affordability assessments."

This means that if Mr A was presented with a 100% eligibility score by the third-party website, then I feel that it's highly likely that this wasn't an accurate representation of the information that AESEL were providing to that third-party website. And because of this I feel that any dissatisfaction that Mr A might have with the 100% eligibility score he was presented with by the third-party website would be a matter for Mr A to take up with that

third-party website directly.

When Mr A submitted his formal application for the credit card, AESEL processed that application and conducted the further checks that a formal application entails. Unfortunately, the result of AESEL's assessment of Mr A's formal application was that Mr A didn't meet the criteria they required for them to be willing to provide a credit card account to him. I can appreciate that Mr A would be unhappy about this, but I'm satisfied that this is a commercial decision that AESEL are entitled to make.

Ultimately, despite what may have been indicated to Mr A by the third-party website, there was no 100% guarantee that Mr A's application for a credit card account to AESEL would be successful. And in this instance, his application wasn't accepted by them.

Furthermore, part of the formal application process involved AESEL conducting a credit search on Mr A that would be recorded on his credit file. Mr A has said that he would like that credit search to be removed. But like all credit provider, AESEL have a responsibility to make accurate reports to the credit reference agencies. And I don't feel that AESEL have acted unfairly here such that it would be reasonable for me to instruct them to remove the credit search from Mr A's credit file as he would like.

This is because AESEL conducted the credit search as part of the formal application assessment that Mr A consented to when he made the formal application. And, as explained, I'm satisfied that AESEL didn't indicate to Mr A at any time that his application was 100% guaranteed to be successful.

I realise this won't be the outcome Mr A was wanting. But it follows from all the above that I won't be upholding this complaint or instructing AESEL to take any further or alternative action here. I hope that Mr A will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 June 2024.

Paul Cooper
Ombudsman