

The complaint

Mr W complains that Lendable Ltd trading as Zable (“Zable”) declined his application for a credit card.

What happened

Mr W applied for a Zable credit card on 12 December 2023. His application was initially approved but subsequently declined.

Mr W complained to Zable. He said he’d been pre-approved for the card via a credit reference agency. He asked to appeal Zable’s decision.

Zable didn’t uphold Mr W’s complaint and said it wasn’t allowing his appeal. It said that although his application was initially pre-approved based on the information it had received from the credit reference agency, following further checks the application was declined.

Mr W remained unhappy and brought his complaint to this service. He said he hadn’t been given the opportunity to appeal the decision to decline his application.

Our investigator didn’t uphold the complaint. He said that pre-approval for the card didn’t mean that Mr W had definitely been approved because lenders were able to carry out further checks before deciding whether to lend. The investigator said that Zable had made Mr W aware of the primary reason for the rejection of his application which was information on his credit file.

Mr W didn’t agree. He said that if he’d been allowed to appeal, he would’ve had the opportunity to provide evidence to show that the details on his credit file were wrong. He said he’d been denied his right to appeal against solely automated decision making.

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 understand that Mr W is disappointed that his application was declined even though it had been pre-approved. However, I agree with the investigator that Zable hasn’t made an error. Lenders are allowed to carry out further checks before deciding whether to lend. The terms and conditions allow Zable to decline an application and it doesn’t have to disclose the specific reason for this as this is considered to be business sensitive information.

I’ve thought about whether Zable treated Mr W fairly when it declined his application. Zable has provided this service with information about the decision to decline the application and although I’m not able to disclose the specific reason, I’ve reviewed the information and I’m satisfied that the decision to decline the application was fair and reasonable.

The Lending Standards Board have issued guidance which says that lenders must tell an applicant for credit the primary reason for the rejection. Here, Zable has told Mr W that the reason for rejecting his application was because of information it could see on his credit file.

I'm satisfied that Zable has complied with the relevant guidance.

Mr W has complained that he was denied a right of appeal. In its final response, Zable made specific reference to Mr W's appeal. It said, *"I regret to inform you that we will not be honouring your appeal and offer you a credit card at this time"*. Based on what I've seen, it appears that Zable did consider Mr W's appeal, but rejected it.

Zable's Privacy Policy – which is set out on its website, and which would've been available for Mr W to read – states (in relation to automated decisions) that it can use personal data in automated processes to make decisions. It states that if an applicant doesn't agree with the decision, they have the right to appeal the outcome of the automated decision and ask for the decision to be reconsidered manually. The policy goes on to say that Zable may require additional relevant information to be provided by the applicant before human oversight of a decision will take place.

Mr W has suggested that Zable hasn't allowed him a right of appeal, but I don't think this is the case. As I've said, it's clear from the final response letter that Zable considered Mr W's request for an appeal and declined the appeal. It's up to Zable whether it required additional information to be provided before it manually reviews a decision, and in this case, Zable didn't require any further information from Mr W. I can't see that Mr W provided any further information in support of his appeal of his own accord. Looking at the information about the specific reason for the decline, I think Zable acted reasonably in not requiring further information before it considered the appeal.

Taking everything into account, I'm unable to say that Zable has made an error or treated Mr W unfairly. I won't be asking it to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 July 2024.

Emma Davy
Ombudsman