

## **The complaint**

Miss G complains that NewDay Ltd trading as John Lewis Partnership Card declined her application for a credit card.

## **What happened**

Miss G says that she applied for a John Lewis credit card, but her application was not accepted. She says there is no reason her income or debt level should lead her to being rejected for the credit card and she has an excellent credit score. Miss G made a complaint to NewDay.

NewDay did not uphold Miss G's complaint. They said they base their decisions on various factors. In relation to Miss G's application, they said they considered the information provided on the application, her credit history, the current financial climate, and their internal risk policies, but they were unable to offer Miss G a John Lewis credit card. Miss G wanted to know why, and so she brought her complaint to our service.

Our investigator did not uphold Miss G's complaint. He said ultimately it is a business' decision if they want to lend money to a customer. The business can set their own criteria for the level of risk they would be willing to accept. He said Miss G didn't meet the criteria for a credit card with them and the application was declined.

Miss G asked for an ombudsman to review her complaint. She said it appears NewDay either want to lend to people who will not pay off their bill in full each month or they are discriminating against her because of her gender, her age, her employment or where she lives. She told us the only legitimate reasons she could think of why her application would be rejected, and she said these reasons wouldn't be commercially sensitive, so she should be told why the application was declined.

## **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.

Firstly, I'm aware that I've only summarised Miss G's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Miss G that it is not within this service's remit to tell a business what credit card applications they should accept, or what reasoning they should give a customer for declining their application (if any). It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct NewDay to make changes to their policies and procedures, if necessary.

Miss G has suggested that NewDay may be discriminating against her on several different grounds by rejecting her credit card application. So they may have breached the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Miss G wants a decision that NewDay has breached the Equality Act 2010, then she'd need to go to Court. However, based on what Miss G has said in relation to NewDay discriminating against her, I am persuaded that they've acted fairly and reasonably in the circumstances of this case, and I will explain why.

I am aware of the reason why the application was declined. I know it will be extremely frustrating for Miss G that I won't be disclosing this reason to her, and I've noted the strength of feeling that she has that the reason isn't and shouldn't be commercially sensitive. But NewDay are not obliged to tell Miss G why her application was declined. This is because their decision process is commercially sensitive, and people could try and circumvent their systems to increase their chances of an application being successful if they made their criteria public knowledge.

But what I can confirm to Miss G is that because I know the reason they declined her application, the decision to decline her application was not based on her gender, her age, her employment, or her address, so I hope this does provide her with some comfort.

As a responsible lender, NewDay are required to perform checks to ensure that they are responsibly lending. These checks need to be proportionate and show that the credit would be affordable and sustainable for Miss G. The decision is not solely based on a potential customer's credit score. While Miss G has told us her credit score, earnings, employment details, and information about her financial circumstances, NewDay made a commercial decision to decline the application after reviewing all of the information available to them – which they are entitled to do. So it follows I won't be asking them to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 26 June 2024.

Gregory Sloanes  
**Ombudsman**