

## **The complaint**

Mr T has complained to us about being refused finance by Clydesdale Financial Services Limited, trading as Barclays Partner Finance ('BPF').

## **What happened**

In October 2023 Mr T applied to BPF by way of an online application for finance to enable him to purchase a mobile phone. His application was turned down. Mr T asked BPF to explain why, appealing the decision. He was told to check his credit record as he hadn't met BPF's lending criteria.

Mr T complained to BPF in November 2023. BPF said it would not be upholding Mr T's complaint, saying no error had been made. BPF said it could not confirm the exact reason why Mr T had been turned down for the finance.

Mr T is seeking compensation for the stress and inconvenience he's been caused. He says he has been declined credit due to the error. Finding out why he'd been turned down was especially important to Mr T as he'd recently had an issue with passing an identity check when applying for finance elsewhere.

In January 2024 Mr T brought his complaint to this service. He says he had found the experience of dealing with BPF very stressful. He also says that he spent hours on the phone and writing to letters trying to find out more information.

Our investigator, having looked into the complaint, established that Mr T hadn't passed an identity check when making the application to BPF. This was due to an email address he'd used. However, at the time the reason he'd been given was that he hadn't met BPF's lending criteria. Our investigator thought that Mr T ought to have been provided with the correct reason as to why his application had been turned down.

Our investigator therefore said that BPF should send Mr T a written apology as to why he was given incorrect information and also pay him £100 compensation for distress and inconvenience.

As BPF disagrees with what our investigator said, Mr T's complaint has been passed to me for a 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 T feels strongly that he was turned down for the finance without being given a proper reason. This has caused him worry and concern.

BPF says that the reason for the application being turned down was an issue with the email he'd provided so he wasn't able to pass an identity check. BPF also says it is part of its own

internal procedures not to tell consumers why an application they have made may have been turned down.

As pointed out by our investigator, there is guidance issued by the Lending Standards Board that was issued to all finance providers in April 2021. The guidance states that customers should be told the main reason why they have been declined finance, if this is requested by the customer.

I take that to mean, amongst other things, that BPF needs to be consistent when giving reasons why finance has been turned down. From what I've seen, that wasn't the case here. So, I am in agreement with our investigator that BPF needed to do more to ensure it was following the guidance about giving reasons when finance is not approved.

I have therefore also thought about the impact of what happened had on Mr T. I can see why what happened caused Mr T to be concerned about his ability to take out credit. Against that background, it's understandable that Mr T was going through a not inconsiderable level of stress and worry in trying to find out more about what had happened. Simply being told he hadn't met the lending criteria wasn't accurate. And it understandably prompted concerns, leaving him in a state of uncertainty.

I therefore think that Mr T experienced levels of frustration and concern that were over and above what one might reasonably expect from day to day life. I therefore agree that an award of £100 should be made to Mr T for the distress and inconvenience Mr T has been put through. And I also think, especially given the issues Mr T encountered when trying to have his complaint properly looked into, that he is entitled to receive a written apology from BPF that sets out the main reason why he was turned down for the finance.

### **Putting things right – what BPF needs to do**

It follows that I think it's fair and reasonable for BPF to do the following:

- Write to Mr T with an apology for providing him with incorrect information about their main reason for turning him down for the finance; and
- Pay him £100 by way compensation for the distress and inconvenience he's been caused.

### **My final decision**

For the reasons I've explained, Clydesdale Financial Services Limited, trading as Barclays Partner Finance, is required to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 30 October 2024.

Michael Goldberg  
**Ombudsman**