

The complaint

Miss A is unhappy that Barclays Bank UK PLC declined her credit account application and won't explain why.

What happened

Miss A applied for a Barclays credit account, but her application was declined. Miss A asked Barclays why they had declined her application, but Barclays wouldn't tell her the specific reason for their decision. Miss A wasn't happy about this, so she raised a complaint.

Barclays responded to Miss A and explained that they had decided not to offer her a credit account because she didn't meet their internal criteria. Barclays also confirmed that they were unwilling to provide a more detailed explanation of their internal criteria to Miss A as they deemed that information to be confidential. Miss A wasn't satisfied with Barclays response, and she also wasn't happy that Barclays had sent the complaint response to an incorrect address. So, she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel Barclays had acted unfairly by declining Miss A's application and didn't feel Barclays were fairly required to provide the detailed explanation as to why they'd declined the application that Miss A wanted. But they did feel that Barclays had acted unfairly by sending letters for Miss A to an incorrect address and said that Barclays should pay £75 to Miss A as compensation for this. Miss 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.

Barclays have explained to Miss A that they declined her account application because she didn't meet their internal criteria such that they were willing to provide an account to her. I can appreciate that Miss A would like to better understand why Barclays have declined her credit account application. But ultimately, Barclays aren't under any obligation to provide a more detailed explanation to Miss A as she would like.

This is because Barclays internal criteria is information that they consider to be confidential. This doesn't seem unreasonable to me, and I say this because if a business such as Barclays made the details of internal criteria public knowledge, it would increase the risk that future applicants might attempt to circumnavigate that criterion by providing false application information. And while I'm not suggesting that Miss A would attempt to do this, I do feel that it's fair and reasonable for Barclays to be unwilling to provide specific information about why Miss A's application has been declined.

I can also understand how Miss A not being provided specific information about why her application was declined might cause her to question the fairness and validity of Barclays decision. But Barclays have provided a detailed explanation as to why Miss A's application was declined to this service. And having reviewed that information, while I'm not at liberty to

divulge it to Miss A – for the reasons explained above – I am satisfied that Barclays haven't acted unfairly by declining Miss A's credit application as they did, and that they have declined her application for a valid reason.

I realise this will be frustrating for Miss A. But as explained I'm satisfied that the declining of her application was fair and reasonable. And I'm also satisfied that Barclays refusal to provide Miss A with a detailed explanation as to why her application was declined is also fair and reasonable. It therefore follows that I won't be upholding this aspect of Miss A's complaint.

Regarding Barclays sending letters to an incorrect address for Miss A, Barclays have accepted the view of our investigator that they should pay £75 compensation to Miss A for doing so. This seems reasonable to me, and I don't feel that any further action beyond this payment of £75 is fairly merited from Barclays in this regard.

All of which means that while I will be upholding this complaint in Miss A's favour, I'll only be doing so to instruct Barclays to pay the £75 compensation to Miss A that they've already agreed to pay. And I won't be issuing any further instructions to Barclays beyond this.

I realise this might not be the outcome Miss A was wanting. But I hope she'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Barclays must make a payment of £75 to Miss A.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 17 July 2024.

Paul Cooper
Ombudsman