

## The complaint

Mr A complains that Lloyds bank PLC ('Lloyds') rejected his credit application and didn't explain why.

## What happened

Mr A applied for a credit card with Lloyds. They declined his application because he didn't meet their "scoring" and that having considered his credit score history, current level of borrowing and what other financial commitments he had they didn't consider his application to be the most suitable option for his needs.

Mr A thought that was unreasonable. He said he had an 'impeccable financial standing' and didn't think it was fair for a business not to have to justify its decision. He referred his complaint to this service, but our investigator didn't think Lloyds had been unreasonable, so Mr A asked for a final decision by an ombudsman.

## 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 know it will disappoint Mr A, but I agree with our investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Lloyds are free to decide who they lend to. They didn't have to provide credit to Mr A but the Standards of Lending Practice set out by the Lending Standards Board says:

*"PS4. If the customer's application is declined firms should, where possible, inform the customer of the main reason for this.."*

Lloyds explained to Mr A that he didn't meet their scoring. So, I think they did explain the main reason for the decline. I wouldn't expect them to provide any further detail as that information is commercially sensitive. While the eligibility checker may have suggested it was likely Mr A would be approved for the loan, I don't think there was a promise that would be the case. The application was subject to final checks, and I can understand that a more thorough review of Mr A's financial circumstances could only be done after he had applied for the card. Overall, I don't think Lloyds have been unreasonable here.

Lloyds have an obligation to report the credit search they performed to the credit reference agencies, so I don't think they need to remove that search.

Overall, I'm not asking Lloyds to take any further action.

**My final decision**

For the reasons I've given above, I don't 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 27 May 2025.

Phillip McMahon  
**Ombudsman**