

The complaint

Mr U is unhappy that a credit card eligibility check undertaken by Barclays Bank UK Plc indicated that he maybe successful, whereas his subsequent application was declined.

What happened

Mr U was interested in taking a credit card with Barclays; but he'd previously entered into an Individual Voluntary Arrangement ('IVA'), and he suspected that any application may be unsuccessful. He completed an eligibility checker on two different third-party websites, both of which indicated his application would be declined. However, when he completed the eligibility checker on the Barclays website, this returned a result of 'maybe'.

So, on 12 March 2025, Mr U applied for a credit card with Barclays. This application included a 'hard credit check' – a full credit check that would be recorded on his credit file. The application was declined, and Mr U is unhappy as this has now affected his credit rating.

Mr U was unhappy with what had happened, and he didn't think Barclays' system was fit for purpose as it resulted in him having an unnecessary credit search recorded against him. He complained to Barclays, but they didn't uphold his complaint. They said he'd agreed to the terms and conditions and took responsibility to apply, regardless of the results of the eligibility checker.

Mr U wasn't happy with this response, and he brought his complaint to the Financial Ombudsman Service for investigation. To resolve his complaint, he wanted the search removed from his credit file.

Our investigator said they'd reviewed the eligibility checker website page. And, under the heading of "*more information*" it confirmed "*to apply for your first credit card you need to: have not been made bankrupt in the last six years – including having an Individual Voluntary Arrangement or Debt Relief Order.*"

The investigator thought this information was visible and accessible and made it clear that Mr U's application wouldn't be successful. They also said that Barclays made it clear that a hard credit search would be undertaken if an application was submitted. So, they didn't think that Barclays had done anything wrong, and there was no reason for the credit search to be removed from Mr U's credit file.

Mr U didn't agree with the investigator's opinion. He didn't think we'd addressed why Barclays indicated he may be successful when third-party eligibility checks indicated that he wouldn't. And he said that, had things been made clear to him, he wouldn't have proceeded and allowed his credit file to be impacted. Mr U also made comments about what may have happened to other customers.

As Mr U didn't agree, this matter has been passed to me to make 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. Mr U has commented on the results he received from third-party eligibility checks, and how these differed from Barclays. He's also commented on how this may have affected other customers.

A crucial part of our service and the way we consider complaints is that we look at the service provided by a financial business to the recipient of that service. And we consider each complaint on its own merits and its own individual circumstances. So, my decision will focus on the service Barclays provided Mr U, and I won't be considering how any third parties check for eligibility, nor will I be considering how other customers may have been affected by any eligibility check conducted by Barclays.

I also won't be considering the mechanics of how Barclays perform an eligibility check. It's not the role of this service to tell a financial business what should and shouldn't be included in an eligibility check – this is something for the business to determine with their regulator, the Financial Conduct Authority.

It's not disputed that there were three possible outcomes to the eligibility check Mr U undertook with Barclays – yes, no, and maybe. Nor is it disputed that Mr U was aware of his IVA, and that two third-party checks had already indicated that Barclays wouldn't provide Mr U with a credit card.

When Mr U completed the eligibility check, as the investigator has explained, Barclays were clear that they wouldn't provide a credit card to anyone with an IVA in the last six years – the situation Mr U knew that he was in. Therefore, when Mr U completed the eligibility check, which returned a result of maybe, it's reasonable to conclude that, despite this, Mr U ought to have been aware that his application would be unsuccessful.

In making his application, Mr U was also made aware that this included a hard credit check – a full check of his credit file that would also record a check had been done. And, with an eligibility check result of maybe, it's also reasonable to conclude that a full application may not result in an approval. So, I'm also satisfied that Mr U was reasonably aware that a potential outcome was that a search would be recorded on his credit file while the application was declined – the exact situation Mr U found himself in.

Given the above, and taking into consideration the information Barclays had provided, I'm therefore satisfied that Mr U made an informed decision when making his application, and that Barclays don't need to now remove a record of the credit search because an eligibility check 'maybe' didn't result in approval for a credit card.

Mr U has said this situation has impacted his credit rating. So, for completeness I've also considered this. While Mr U hasn't provided a copy of his credit file, I've no doubt the credit search conducted by Barclays will show, as will his IVA.

While a hard search stays on a credit file for two years, and it can affect a credit score, the impact is usually temporary and diminishes over time. Many hard searches over a short period of time can be a red flag for a lender, as it could indicate potential financial difficulties, as does an IVA. However, a single search, on its own, is highly unlikely to have any long-term impact. While Mr U has said the search by Barclays has affected him, I've not seen anything to show me that was the case i.e., a letter from a potential lender confirming that Mr U was declined credit, or offered credit on less favourable terms, purely as a result of the search by Barclays, despite the other information on his credit file, for example the IVA.

As such, and while I appreciate this will come as a disappointment to him, I'm not satisfied that Barclays actions in processing Mr U's application have impacted him in such a way as they need to take any further action.

My final decision

For the reasons explained, I don't uphold Mr U's complaint about Barclays Bank UK Plc

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 9 July 2025.

Andrew Burford
Ombudsman