

The complaint

Mr M complains that credit card applications he's made to Lloyds Bank PLC have been declined.

What happened

Mr M holds a current account with Lloyds. When he opened his current account he was told that he could open a credit card account after 30 days.

Mr M has applied for a credit card several times. He's unhappy that his application has been declined every time.

Mr M complained to Lloyds. In its final response, Lloyds said the initial issue with Mr M's application was due to a password lock on his credit file which prevented the application from proceeding further within the banks scoring system. Lloyds said that once this issue had been resolved, Mr M's reapplication was declined due to affordability concerns, as he had stated his income as £1200.00. Lloyds said it had determined the applications correctly based on the information provided at the time.

Mr M remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said there was no evidence that Lloyds had done anything wrong.

Mr M didn't agree. He said he'd entered his income as £1200 by mistake and Lloyds had told him he could reapply but when he reapplied his application was declined.

Because Mr M didn't agree I've been asked to review the complaint.

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 appreciate that this has been a frustrating experience for Mr M. His initial application was declined due to an issue with a password lock on his credit file and his subsequent application was declined due to affordability concerns.

Whilst I acknowledge that Mr M will be disappointed, I agree with the investigators opinion. I'll explain why.

When a credit card provider decides whether to approve an application for a credit card, it carries out checks on the applicants credit file to see how much they currently owe on other credit accounts and to see how well they have managed credit in the past. The credit card provider will also look at information the applicant has provided about their income and outgoings in order to assess affordability.

There are several reasons why credit might be declined. Some of the more common reasons

include limited credit history, income too low, outstanding credit balance too high. Late payments, too many applications for credit have been made, errors on credit file, mistakes on applications forms and bankruptcy or county court judgments.

Lenders are allowed to set their own lending criteria and can decline an application for credit without giving a reason. This is because the reason for the decline is considered to be business sensitive information.

In Mr M's case, Lloyds has said that the application was declined on affordability grounds.

I appreciate that Mr M is unhappy about this. However, Lloyds is allowed to set its own lending criteria, and it has said that Mr M doesn't meet the criteria for a credit card account.

In the circumstances, I'm unable to say that Lloyds made an error or treated Mr M unfairly when it declined the applications. I won't be asking Lloyds to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 August 2025.

Emma Davy
Ombudsman