DRN-5785115

Financial Ombudsman Service

The complaint

Mr S complains that the Co-operative Bank Plc ("CB") declined his application for a credit card.

What happened

On 26 March 2025 Mr S applied online for a credit card with CB. The application was declined.

Mr S appealed. The underwriting team considered the lending decision and decided to approve the application. CB sent Mr S an email on 8 April 2025 confirming approval subject to final checks.

When the final checks were completed, the application was declined.

Mr S complained to CB.

CB issued a final response on 7 May 2025 in which it didn't uphold the complaint. It said that although the application had been approved in principle, it had been declined due to information obtained as a result of further checks, including data from CIFAS.

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

Following the referral of the complaint to this service CB made an offer to settle the complaint. It said that the email it had sent Mr S on 8 April 2025 failed to make Mr S aware that his application was still subject to further checks. It apologised for this and offered to pay compensation of £75.

Our investigator thought the offer was fair and in line with what this service would award.

Mr S declined the offer. He said he wanted compensation of £750 for the inconvenience caused to him.

Because Mr S 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 agree with the investigator's opinion that the offer of £75 compensation is fair and reasonable. I'll explain why.

This service can't require a provider of credit to approve an application. The decision on whether to lend is a business decision that only the business – in this case CB – can make, based on the information it obtains as part of the application process.

CB has explained that it declined Mr S's application due to information it obtained during final checks, including information from CIFAS.

I appreciate that Mr S thought his application had been approved. The email dated 8 April 2025 didn't make it clear that the application was subject to final checks. CB has acknowledged that it made an error by not mentioning this and has offered compensation of £75.

I've thought about whether the offer of £75 is enough to resolve the complaint. On balance, I think the sum is fair, and in line with what this service would award. I've thought about the impact of the failure to mention final checks on Mr S, and I don't think this was significant. I acknowledge that Mr S would've been caused some disappointment at being declined for the card but as I've explained above, this service can't require a lender to approve an application.

For these reasons, I'm not upholding the complaint because I think the offer of £75 compensation is fair and reasonable.

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 S to accept or reject my decision before 3 October 2025.

Emma Davy
Ombudsman