

### **The complaint**

Mr R complains that Lloyds Bank PLC declined his loan application.

### **What happened**

Mr R applied for a loan with Lloyds – with whom he already holds current and savings accounts – but his application was declined.

Mr R queried this with Lloyds who advised him to check with the credit reference agency it had used to assess his application. Mr R did so and was advised that his credit rating was excellent. Mr R went back to Lloyds with this information but was advised that his application was still declined. He complained to Lloyds.

Lloyds didn't uphold the complaint. In its final response dated 9 September 2025 it said it took a range of factors into account when assessing whether a loan application is likely to be accepted and that it wasn't able to share specific details of the decision.

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

Our investigator didn't uphold the complaint. He said that Lloyds had given Mr R a sufficient explanation of its decision and that he hadn't been treated unfairly.

Mr R didn't agree so 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 know it will disappoint Mr R but I agree with the investigator's opinion. I'll explain why.

I've reviewed the final response that Lloyds sent to Mr R. In that letter, Lloyds has explained that it reviews customer profiles monthly and takes into account factors such as credit history, existing borrowing and how accounts are being managed. It uses this information to assess whether a loan application is likely to be accepted.

It's up to lenders to set their own lending criteria. These vary from lender to lender. The factors that lenders take into account include things like credit score, income, existing credit, credit history and debt to income ratio. Information from credit reference agencies is taken into account, as is information already held by the lender about the customer.

I appreciate that Mr R has made enquiries of at least one of the credit reference agencies and has been advised that his credit rating is excellent. However, a credit score is only one of the factors that a lender may take into account when assessing a loan application.

In Mr R's case, Lloyds has explained that it can't give Mr R the specific reason why his application was declined. This service can't require a lender to provide the specific reason, as this is considered to be business sensitive information.

What this service can do is check that Lloyds has followed its process and treated Mr R fairly.

Based on what I've seen here, Lloyds has followed its process and has provided Mr R with an explanation of why his application can't proceed. It has also explained that Mr R can apply again in the future, and that he can apply in branch as an alternative to applying online.

I understand that Mr R is disappointed that he hasn't been given the specific reason for the decline. However, as I've explained above, I'm satisfied that Lloyds has followed its process correctly and treated Mr R fairly. I can't ask Lloyds to do anything further here.

### **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 R to accept or reject my decision before 30 December 2025.

Emma Davy  
**Ombudsman**