

The complaint

Mrs K complains that Creation Consumer Finance Limited ('Creation') declined her credit application after saying she was approved in an eligibility checker. Mrs K wants the hard search removed from her credit file.

What happened

Mrs K sought to finance a store purchase with Creation. Mrs K complained to Creation that following an eligibility check and a soft search she was led to believe she was approved for finance, but she was rejected.

Creation didn't uphold Mrs K's complaint and said their eligibility checker wasn't the full application as this was subject to a hard search and further checks. They said their application process made this clear.

Mrs K referred her complaint to the Financial Ombudsman Service. Mrs K said she was working on building her credit score and didn't wish to apply if she'd be refused on a hard search, which is why she'd used the eligibility checker.

Our investigator sought further information from Creation about the information provided during an application. Our investigator didn't uphold Mrs K's complaint as they thought Creation's application process clearly explained what would happen.

Mrs K sought an ombudsman's decision. She said she didn't need the finance. But she was disappointed with Creation's communication and said this wasn't clear enough. She was worried about the negative impact of a hard search on her credit file.

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've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so, I have decided not to uphold Mrs K's complaint. I'll explain why, though I broadly agree with our investigator.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. So it is not for this service to interfere with a firm's processes, systems or controls, nor can we fine or punish a business. Those are considerations for the Financial Conduct Authority ('FCA'), as the regulator.

I'd expect Creation to provide Mrs K with clear information to enable her to make an informed decision about her application. I think they've done this. I'll explain why.

Mrs K used Creation's eligibility checker which said, *"We will tell you if you're likely to be accepted"*. Creation said this would be subject to a soft search which wouldn't impact Mrs K's credit file.

Following the eligibility checker Mrs K was told, *"Great news! You're eligible to apply for an account."*

I think Creation clearly communicated that the eligibility checker gave an indication of what was likely, not what was certain. And that Mrs K was eligible to apply for an account, not that she was approved for finance.

I think it was clear there was a further step in the process, as Mrs K was invited to add further information for a full application to be submitted.

In the last section of the application, Creation said:

"How we will use your data

We'll supply your personal information with credit reference agencies ('CRAs') who will give us information such as your financial history. We do this to assess creditworthiness and product suitability... We will exchange your information with CRAs on an ongoing basis including settled accounts and any debts not fully repaid on time. CRAs will share your information with other organisations... By clicking confirm and submit you are confirming you're happy for us to use your data in this way."

I think Creation were clear that the application would involve an exchange of data with the CRAs, which would be visible to other organisations, and that Mrs K was going to be subjected to a creditworthiness assessment. I've also considered Mrs K anticipated a hard search, as she'd wanted to avoid a hard search if the eligibility checker said she was unlikely to be approved.

I acknowledge Mrs K's frustrations that Creation didn't explicitly tell her there'd be a hard search footprint left on her credit file, or that her application wasn't guaranteed to be successful. It's not for me to decide what Creation should include in their application process, I can only decide whether Mrs K was treated fairly in the circumstances of her individual complaint. For the reasons I've given, I think Creation did communicate fairly with Mrs K during the application process.

Mrs K's main concern is that she intended to improve her credit score, but Creation's hard search might have a negative impact.

I am sorry to hear Mrs K has been worried about the impact of the hard search. It is something I would expect to see on Mrs K's credit file, given she made a genuine application to Creation. I'm not going to ask Creation to remove this as I don't think the hard search is wrong or unfair in these circumstances.

The Information Commissioner's Office ('ICO') say in the FAQ section of their website:

"Searches on your credit file should not have a negative impact on your credit history. Lots of searches in a short space of time however can imply that you are having problems getting credit which, in itself, can impact an organisations decision about whether it will give you credit or not."

And in their online information leaflet 'Credit Explained', the ICO say the CRAs generally keep a record of a hard search for one or two years.

I hope that information offers some reassurance to Mrs K that Creation's hard search is not necessarily detrimental and will have decreasing significance over time.

I know this won't be the outcome Mrs K was hoping for but I am not persuaded Creation have treated her unfairly in these circumstances. This means I am not upholding her complaint.

My final decision

For the reasons I've set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 4 March 2026.

Clare Burgess-Cade
Ombudsman