

The complaint

Mrs S complains that Nationwide Building Society (“Nationwide”) declined her credit card application.

What happened

Mrs S made an application for a credit card account with Nationwide, but it was declined at the ‘soft search’ stage. Mrs S explained that she may have understated her income during the application which could have led to the decline. She’s said she has £10,000 in savings with Nationwide. In addition to this, Mrs S said the application form asked her if she had ever been bankrupt, to which she answered ‘yes’, as she had been bankrupt around 23 years ago. Mrs S is unhappy with Nationwide’s decision to decline the application, and she doesn’t feel its decision is fair, nor has it considered all of her information.

Nationwide didn’t uphold Mrs S’s complaint and said:

“To reach this decision, I have reviewed our processes and the application details. I can see that the application has been declined at soft check due to low affordability. Your application is processed through an affordability calculator, which is system generated and therefore uses your personal details to make a decision. On this occasion, your application has been declined, the above reasons are not limited to the decline and this can include a number of factors relative to your personal details.”

An Investigator considered the evidence provided by both parties; however, they didn’t uphold Mrs S’s complaint. They explained that they felt that Nationwide hadn’t unfairly declined the application.

Mrs S didn’t agree with the Investigator’s view, and I’ve summarised her main points relevant to her complaint below:

- Nationwide should have done more to check her affordability. She said that her current account shows her pension income, household bills, utility bills, credit card payments (she pays the full balance each month, which is between £6,000 to £7,000) annually). Nationwide should also be able to see that she has thousands of pounds in savings.
- She provided figures showing what income she receives.
- The final response letter makes reference to personal details being part of the reason for the decline; which Mrs S questions if this is the historic bankruptcy. And she wants to know what it is about her personal details that is causing the application to decline.

Because an agreement couldn’t be reached, the complaint has been passed to me to decide on the matter.

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.

Based on the information that has been provided to me, I'm sorry to disappoint Mrs S, but I don't uphold her complaint. I appreciate this decision will come as a disappointment to her, as I can see how strongly she feels about Nationwide's decision not to provide her with a credit card; however, I will explain how I have reached my outcome below.

Before I do that, I want to make it clear that I have read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

I have seen information from Nationwide's internal systems to show that Mrs S's credit card application was declined due to low affordability. I can see that Mrs S has said and provided information to show that the income she actually receives is different and higher to what she declared on her application. But, when considering the application, it wasn't unreasonable of Nationwide to rely on the information provided by Mrs S. So, I can't fairly conclude it has done anything wrong when it took what Mrs S had said at face value.

I understand Mrs S feels that Nationwide should have done a full review of her accounts before giving her a decision, but I don't agree. From the information I've seen, it appears that Mrs S completed an application and it was declined at the 'soft search' stage. What this generally means is that based on the information input into the application, Nationwide has already made the decision to decline the application. And therefore, there would be no reason to complete a hard search on Mrs S's credit file. A hard search would allow Nationwide to see more of Mrs S's credit file; but it would also leave a mark to show that a search had been completed, which can have a negative impact on the credit file. Therefore, I don't think it was unreasonable that Nationwide didn't do more, by way of completing a hard search, when it already knew that it would decline the application.

I can see that Mrs S expected that Nationwide would do a more thorough review of her bank accounts and savings accounts before making a lending decision; but it isn't required to do this. Like I said, it is entitled to rely on the information submitted on the application, and where it is clear that its lending criteria isn't met, I don't find it unreasonable to decline the application at the earliest opportunity and not continue with further checks.

I can see that Nationwide said that the decline decision wasn't limited to low affordability and could also be because of some of Mrs S's personal details. Mrs S has understood this to mean that Nationwide might have also declined her due to her bankruptcy from many years ago. I haven't seen any evidence to suggest that Mrs S's application was declined due to the bankruptcy; or even that this was a deciding factor. Like I've said, Nationwide said this was due to affordability and explained why; and I have seen internal information from Nationwide which confirms that the decline was based on affordability. Therefore, I'm satisfied that the application was declined due to affordability, and I haven't seen anything to suggest that it was because of something else.

Ultimately, Nationwide decided to decline Mrs S's application based on affordability. I wouldn't expect Nationwide to provide someone with credit where it deemed it unaffordable; and it has an obligation to ensure that it provides credit responsibly. It is up to Nationwide to

decide what risk it is prepared to accept when deciding on its lending criteria. And the information Mrs S put into the application didn't meet its lending criteria. So having considered all of the information available to me, I'm not of the view that Nationwide acted unfairly in declining Mrs S's credit card application on this occasion.

My final decision

For the reasons set out above, I don't uphold Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 May 2026.

Sophie Wilkinson
Ombudsman