

The complaint

Mr T is unhappy Bank of Scotland plc ('BOS') will not tell him the precise reason why he was declined a car loan.

What happened

In January 2025 Mr T applied, via the BOS app, for a £29,000 loan to purchase a vehicle. The loan was declined and Mr T approached BOS to find out the reason why.

Mr T says he was told it was due to his credit file, but said his credit file scores across the different credit reference agencies (CRAs) were all excellent. Mr T also said there were no issues with his affordability and so he said BOS had declined the loan due to his age and were therefore discriminating against him.

BOS considered Mr T's complaint and concluded they had not done anything wrong with regards to their decision to not provide Mr T with the car loan. But they did pay Mr T £30 to recognise they did not log his complaint when promised.

Mr T referred the matter to our service to consider; however confusion then ensued between BOS and another part of their banking group (BH) as to which entity was responsible for the declined lending. It was eventually determined that BOS were responsible.

Once it was established which entity was responsible for declining Mr T's car loan application our Investigator considered Mr T's concerns, but found that BOS had not, in the circumstances, acted unfairly.

Mr T strongly disagreed with the Investigator's conclusions given a reasonable explanation from BOS was lacking to explain why the loan had been refused, and he questioned the involvement of a third-party (BH) in this case. Mr T maintained he had been told the issue was to do with his credit score, but his credit score was excellent with all the CRAs, and that his affordability for the loan was comfortable. Mr T also said BOS were hiding behind the reason being commercially sensitive.

Our Investigator also considered Mr T's concerns that he had been discriminated against because of his age, but assured Mr T there was nothing to suggest this was the case here. As our Investigator could not resolve the matter, it has been passed to me to decide.

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.

For the avoidance of doubt, my considerations here are limited to BOS's actions only in this case.

Above is only a summary of what's happened but I assure both parties I have reviewed all the available evidence and submissions to decide a fair and reasonable resolution for both parties.

To reach my decision I have taken into account any relevant law and regulations; regulators' rules, guidance and standards; codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I think it may also help to explain some limitations to my powers here in that I do not have the authority to interfere with a firm's commercial decision making, nor interfere with a firm's processes, systems or controls and nor can I fine or punish a firm – these are considerations for the appropriate regulator.

This means it is not for me to tell a lender to approve credit for a customer - such a decision will rest with the respective lender who will take into account things such as their regulatory obligations to lend responsibly together with their appetite for risk at any particular given time. But I can consider whether BOS treated Mr T fairly during the process.

I recognise Mr T's frustration is that he can see no reason himself why he has been declined credit given he has disposable income and excellent credit scores with the respective CRAs. However, while it is recognised across the industry that firms should provide customers with some indication as to why they have been declined credit so they may pursue their financial objectives, there is some discretion permitted for firms in terms of what they disclose.

Mr T has said when he first queried why he had been declined credit BOS told him it was due to his credit report, but Mr T says he countered this with his credit files being without any problems.

BOS have said Mr T was told a specific reason could not be given, and that decisions are made based on information from CRAs and BOS's own internal credit scoring.

In their response to Mr T on 3 February 2025 BOS let Mr T know they had reviewed the decision, but were still not able to provide Mr T with a car loan. They considered the option wasn't suitable for Mr T's needs at the time, but did note that Mr T was still able to apply for a personal loan. Although, having looked at BOS's website it appears there is currently a limit of £25,000 for a personal loan, so it seems likely if this was the case around the time of Mr T's application, this would have been lower than what Mr T was looking for at the time.

I've considered that the regulator's Consumer Duty guidance to firms sets out that where firms decline a particular product or service they should consider whether there is information or support it could provide to help the customer pursue their financial objectives. This could include signposting a customer to a third party that provides information to such consumers – such as the 'Money Helper' guide.

I can't see that BOS attempted to sign-post Mr T to a third-party to help him move forward in pursuit of his financial objectives, but given the circumstances I don't think this would have changed things here.

BOS referenced their internal scoring to Mr T, in effect their internal policies, as to why they did not agree lending for Mr T at the time he applied. Where a firm's internal policies may be the cause of declined credit, it would be reasonable for the firm to exercise its judgment and discretion to not share the finer details of their internal policies. To require a firm to share this sort of information publicly could potentially expose them to financial abuse and risk.

In the absence of any clear answer as to why he had been declined credit, Mr T says BOS did so because of his age.

I've carefully considered what Mr T has said on this point and his reference to the Equality Act 2010. But it's not for me to decide if a law has been breached – only a court can decide that. And in any event, I've not seen anything in the evidence and submissions to support Mr T's age is why BOS declined the car loan. Rather, BOS have let Mr T know he is able to apply for a personal loan if that is something he wishes to do.

I realise Mr T will be unhappy with my findings here, but overall I assure Mr T that I've not found anything here to support that he has been treated unfairly or differently to anyone else that would have applied for a car loan around this time. So I've not seen enough to say Mr T's complaint should be upheld or that BOS need to provide Mr T with any more details about the reasoning for the declination of the loan.

BOS paid Mr T £30 for their failure to set up his complaint initially, but as this relates to complaint-handling, it is not something I can consider under the rules I'm required to follow.

My final decision

For the reasons above, my final decision is that Mr T's complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 April 2026.

Kristina Mathews
Ombudsman