

The complaint

Mr P complains that Vodafone Limited declined his application for a loan agreement for a new device.

What happened

On 11 August 2025 Mr P went into a Vodafone store to purchase a new mobile phone contract. Vodafone declined the application.

Mr P was shocked that his application had been declined. He says he's been a customer of Vodafone for over 10 years and that he has an excellent credit score.

The store raised a credit appeal form. This was sent to the Credit Assessment team who advised that the decline decision was maintained.

Mr P complained to Vodafone. Vodafone didn't uphold the complaint. In its final response dated 20 August 2025 it said that it had an obligation to carry out credit checks when a customer applies for a loan agreement and that it hadn't made any errors. Vodafone said it wasn't able to provide Mr P with the reason why the credit check came back as declined.

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

Our investigator didn't uphold the complaint. They said that Vodafone hadn't acted unfairly because it was a commercial decision for Vodafone whether it provided credit, and Vodafone isn't obliged to disclose the exact reason why the application for credit had been declined.

Mr P 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 P, but I agree with the investigator's opinion. I'll explain why.

I understand that Mr P is frustrated that he doesn't know the exact reason why he was declined for credit with Vodafone. However, I agree with the investigator that Vodafone hasn't made an error.

When a provider of credit decides whether to approve an application for credit, it carries out checks on the applicant's credit file to see how much they currently owe and how well they have managed credit in the past. It will also look at the information an applicant has provided on their application form about their employment status and income and outgoings, in order to assess affordability.

There are several reasons why credit might be declined. Some of the more common reasons might include a limited credit history, income too low or unstable work history, outstanding credit balance too high, late payments, too many applications have been made

within a short space of time, identity can't be confirmed, address can't be confirmed, financially linked to someone with poor credit history, errors on credit file, mistakes on the application form and bankruptcy or county court judgments. I'm not saying that any one of these reasons was the reason why Mr P's application was declined. These are just examples of the reasons why credit can be declined.

Lenders are allowed to set their own lending criteria and can decline an application for credit without obligation to give the reason. This is because the reason for the decline is commercially sensitive information. In Mr P's case, Vodafone has said that he didn't meet the lending criteria. In the circumstances I'm unable to say that Vodafone made an error when it declined the application.

Whilst this service can't oblige a lender to provide the reason for declining a credit application, we can look into whether the decision to decline was reached fairly.

As I've explained above, this service can't oblige Vodafone to disclose the reason for declining the application. However, I've reviewed the information provided by Vodafone and I'm satisfied that Vodafone applied its lending criteria to Mr P's application and – because of the information it obtained – reached a reasonable decision to decline the application.

I know that Mr P will be disappointed that he can't have the specific reason why his application for credit was declined. However, for the reasons I've explained above, I haven't found anything to suggest that Vodafone made an error or treated Mr P unfairly.

I'm therefore unable to uphold the complaint.

My final decision

My final decision is that I'm unable to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 12 May 2026.

Emma Davy
Ombudsman