

complaint

Mrs B complains that NewDay Ltd declined her application for credit without giving a valid reason.

background

In May 2015, Mrs B applied for a credit account while at a retail store. Her credit application was declined. Mrs B says she was embarrassed by this experience and that she has not been given a reason why she was declined. She says that she has checked her credit score and this is good.

NewDay says that it considers a number of factors when it receives an application. These include the current climate, its internal risk policy and information provided by external credit reference agencies (CRAs). It says that in Mrs B's case she did not meet its criteria and so her application was declined.

The adjudicator did not think that NewDay had made a mistake. She said that NewDay was entitled to use its commercial judgement when setting criteria for its products. She said it had explained that Mrs B did not meet its criteria. The adjudicator said she was satisfied that NewDay gave as much information as we would expect it to.

Mrs B did not agree and asked for an ombudsman to review her complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can understand why Mrs B was upset that her credit application was declined. However, a business' decision on whether or not to provide credit is a commercial one and therefore it is not generally something we would comment on. I have nothing to suggest that the business did not follow its normal procedures when assessing Mrs B's application.

I also understand why Mrs B wants a clear explanation of why her application was declined. NewDay has explained the information it uses to assess applications and that Mrs B's application did not pass its criteria. I appreciate that specific details have not been provided, but I accept that NewDay does not do this because the information is sensitive.

I appreciate the embarrassment Mrs B experienced when her credit application was declined and her annoyance at not being given a specific reason. However, in this case, I do not find that NewDay has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 October 2015.

Jane Archer
ombudsman