

## **complaint**

Mr W complains that NewDay Cards Limited declined his application for a credit card. He wants to know why he was turned down and an apology.

## **background**

Mr W was invited to apply for a credit card by a store in which he was shopping. When the application was completed, however, it was declined by the card issuer, NewDay.

He asked NewDay for an explanation for the decline. NewDay initially said that there were many reasons why an application could be declined, and said that Mr W had not met one of its internal policy rules – without saying which.

Mr W was not satisfied with this response. NewDay suggested he obtain a copy of his credit file, which he did. That showed that he had previously been the innocent victim of credit impersonation. Mr W was concerned that NewDay had wrongly taken the impersonation into consideration in refusing his application.

In its final response to his complaint NewDay explained that extra security checks had been included in the application process for Mr W in case it was the impersonator again trying to obtain credit using his name. Mr W had not been able to answer all of the security questions satisfactorily, and NewDay had declined the application because it was not certain that the applicant was the real Mr W.

Mr W still did not consider NewDay had provided a valid explanation for declining his card application, and referred his complaint to us.

Our adjudicator did not recommend that the complaint should be upheld. He concluded, in summary, that NewDay was entitled to set its internal policy rules for assessing a credit card application – including any additional security checks which it considered necessary. He was satisfied that it had legitimately exercised its commercial judgement in declining the application.

Mr W did not accept the adjudicator's conclusions. He pointed out that the existence of a past impersonation should not be used in making credit decisions, and questioned whether the shop assistant handling the application had properly communicated the additional security questions and answers. He felt that age discrimination was a factor in NewDay's decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am sorry to learn that Mr W had previously been a victim of credit impersonation but, as he rightly says, that should not stop him subsequently getting credit.

However, knowing that someone had impersonated Mr W in the past when applying for credit did put NewDay on notice that the card applicant might not be the genuine Mr W. I consider its decision to ask him, through the shop assistant, additional security questions reasonable in the circumstances. It is unfortunate that one or more of these questions was

not answered correctly, and so NewDay could not be certain that it was Mr W making the application. It is not possible now to establish if there was any misunderstanding or miscommunication in the questions or answers.

NewDay is entitled to make commercial decisions about the policy rules it uses in assessing credit applications, including the level of security it requires to be satisfied that the applicant is not an imposter. I do not find that the past impersonation affected NewDay's assessment of Mr W's creditworthiness – it only affected the level of security checks made. It wanted to protect itself and Mr W against another impersonation fraud and I consider this to be fair and reasonable.

I do not find any evidence in its records that New Day discriminated against Mr W because of his age.

I am satisfied that NewDay gave an adequate explanation of its decision in its final response to Mr W's complaint. As I do not find that it made any error in following its internal policies I do not require it to apologise to Mr W.

**my final decision**

My final decision is that I do not uphold this complaint against NewDay Cards Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 1 September 2015.

Malcolm Rogers  
**ombudsman**