

complaint

Mr and Mrs D complain that Coventry Building Society wouldn't lend them more money. They also felt a member of Coventry's staff was rude on the phone. They want Coventry to lend them the money.

background

Mr and Mrs D had a mortgage with Coventry and wanted to borrow more money. It declined due to incorrect information on their credit records. Mr and Mrs D got the records changed and applied again. Coventry declined as it was worried about the size of Mr and Mrs D's debts. But Mr and Mrs D said they were going to use part of the new money borrowed to pay those debts ("debt consolidation"), which would then reduce their outgoings. This would let them pay the mortgage off more quickly.

Mr and Mrs D complained to Coventry. It said it looked at the second application twice but it wasn't willing to lend more money to Mr and Mrs D despite knowing they wanted to consolidate their debts. It said it had to be sure any borrowing was affordable. It said its staff member hadn't been rude on the phone.

Mr and Mrs D complained to us. The adjudicator's view was that Coventry was able to use its own commercial judgment to decide whether or not it was willing to lend more money. He thought Coventry had fairly and reasonably looked at all the circumstances, and hadn't treated Mr and Mrs D unfairly. The adjudicator also didn't think the staff member had been rude.

Mr and Mrs D disagreed. They said it wasn't fair for Coventry to refuse to lend to them because of the amount of their debts, when they wanted to pay them off with the extra money to be borrowed from Coventry. Mr and Mrs D said they could afford to borrow this money and weren't a risk. They felt Coventry was being unreasonable.

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 appreciate Mr and Mrs D feel Coventry is being unfair and unreasonable. But it isn't my role to tell lenders to lend money to particular consumers. Lenders are able to use commercial judgment to decide how much to lend, if anything, to consumers. My role is to ensure such judgement is applied fairly and reasonably.

In this case, Coventry applied its lending rules to Mr and Mrs D. It also reviewed its decision to refuse to lend. It isn't unfair or unreasonable to look at the amount of unsecured debt; I understand Mr and Mrs D wanted to use the money to pay off that debt, but once they had the money, there wasn't any guarantee they would use it to pay the debt. I also think it was fair and reasonable for Coventry to be worried Mr and Mrs D might end up with similar debts in the future.

And when deciding whether or not to lend more money, lenders have to apply the current mortgage rules and think about whether the mortgage would be affordable. It isn't unfair or

unreasonable for a lender to look at all the information about a consumer and based on that decide the loan may be unaffordable.

I can't say Coventry have dealt with Mr and Mrs D's application to borrow more money unfairly or unreasonably.

I have listened to the call with the member of staff from Coventry, and I don't think she was rude.

my final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 22 February 2016.

Claire Sharp
ombudsman