

## **complaint**

Mr B complains that NewDay Ltd initially approved him for a credit card and then cancelled the card the next day.

## **background**

Mr B successfully applied for the card online. Two days later he received two letters, one enclosing a PIN number for the card and a further saying that his account was withdrawn following a “*risk review*”. When he complained he was told that during the final checking stages of his application it was found that he did not meet all the requirements.

The adjudicator recommended that the complaint should be upheld and Mr B paid compensation of £25. She also said NewDay Ltd should write to him to give the reason for his application initially being declined and then accepted. She noted that the relevant section of the Lending Code (Section 106) says the main reason for the decline of a credit card application should be given. NewDay Ltd did not respond to the adjudicator within the extended timescale provided, although indicated that it was looking at her recommendation.

## **my findings**

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

Mr B applied for this credit card to help him establish a credit record. Had his application been initially declined based on the lending criteria established by NewDay Ltd he would not have had cause to complain. But, he has not been treated fairly and has been given inconsistent information by NewDay Ltd. No additional information has been provided to this service to explain what happened. I agree with the resolution suggested by the adjudicator recognising that any further response from NewDay will be limited as their lending criteria are confidential. But, if the reason for Mr B's decline is related to his credit record that he is entitled to know and to be given contact details for the relevant credit reference agency.

## **my final decision**

In light of the above, my decision is that I uphold this complaint and I order NewDay Ltd to pay Mr B £25 and to write to him to explain the main reason for the decline of his credit card application.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 22 May 2015.

Michael Crewe  
**ombudsman**