

complaint

Mrs S isn't happy that NewDay Ltd ("NewDay") declined her application for a credit card and won't remove the record of the search it made on her credit reference file.

background

Mrs S applied for a credit card with NewDay in December 2015. When NewDay was carrying out security checks Mrs S said she couldn't remember the password for a notice of correction she had applied to her credit reference file. She explained she had contacted the credit reference agency about the password but hadn't heard back from it yet. Mrs S asked NewDay to call her back later that day about her application but NewDay didn't. When NewDay reviewed Mrs S's application a couple of days later it was declined.

Mrs S thinks that this isn't fair and that her application was declined because NewDay wouldn't wait for her password to be reset or confirmed. She wants NewDay to either issue her a credit card or remove the search it made on her credit reference file during the application process.

Our adjudicator didn't recommend that the complaint should be upheld. Mrs S disagrees and wants an ombudsman to consider 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. Having done so, I have come to the same conclusions as the adjudicator and for much the same reasons.

I've looked at the records NewDay has given us and they show that Mrs S's credit card application was refused because of her credit score. NewDay accepts that it did ask Mrs S about the password attached to the notice of correction but that this was just part of its process and had nothing to do with the application being declined.

Businesses are entitled to make the commercial decision whether or not to grant customers credit cards or any type of borrowing facilities. Businesses are also entitled to decide on the criteria they apply when considering such applications. It might have been confusing for Mrs S that her application was declined shortly after she had the conversation with NewDay about her password and this wasn't helped when NewDay didn't ring her back as Mrs S had requested. NewDay has said it's sorry for not ringing Mrs S back but I am satisfied that this didn't affect the decision to decline Mrs S's application, so I don't require NewDay to do anything more.

During Mrs S's credit card application NewDay carried out a credit reference check and it says that it told Mrs S that this was part of its application process. These checks are a normal part of applications for credit cards and I don't think NewDay did anything wrong by carrying one out. It is also important that the correct information is recorded in credit reference files. So I don't think it would be fair for me to ask NewDay to remove details of the credit reference check from Mrs S's credit reference file.

Overall I don't think NewDay acted unfairly towards Mrs S.

my final decision

For the reasons I've given, my final decision is not to uphold Mrs S's complaint against NewDay Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 25 May 2016.

Michael Ranaghan
ombudsman