

## **The complaint**

Miss S complains that Barclays Bank UK PLC (Barclays) unfairly declined her application for a credit card, and then encouraged her to apply again telling her it wouldn't impact her credit score.

Miss S is represented on this case by her father, but for ease of reading I have referred to Miss S throughout.

## **What happened**

Miss S applied for a credit card with Barclays on 17 January 2021. Barclays declined the application and Miss S contacted them a few days later to discuss the reasons. During this call Barclays told her it couldn't see a declined application on its system and suggested she should put through a new application. Before doing so Miss S asked for reassurance that a second application would not affect her credit file and Barclays confirmed it wouldn't.

Miss S went ahead with the second application, which was also declined. Miss S appealed the decline decision and the application was referred to an underwriter to be reviewed. The underwriter maintained the decision to decline the application based on its own lending criteria and information it had regarding Miss S' affordability. Barclays also noted, the two applications which were completed four days apart contained differing employment details and income amounts.

Both applications resulted in a hard search being recorded on Miss S' credit file.

Miss S complained to Barclays, to resolve matters she wanted it to issue her with a credit card and remove the second search from her credit file. Barclays didn't uphold her complaint, it said both applications had been declined correctly and in line with its lending criteria.

Miss S remained unhappy with this and so brought her complaint to this service. Our investigator looked into matters and partially upheld Miss S' complaint, in summary she said:

- Barclays had incorrectly advised Miss S that a second application wouldn't impact her credit file, and but for this advice, she didn't think Miss S would have completed a second application. So, she asked Barclays to remove the second credit search from Miss S' credit file.
- Barclays had fairly declined both applications based on its lending criteria, so it didn't need to revisit them or issue Miss S with a credit card.

Barclays agreed with the investigator's recommendation to remove the second credit search from Miss S' credit file.

Miss S didn't agree, she felt the resolution being offered would have no impact now and so she should be awarded some compensation for the upset this had caused. The matter has now been passed to me to decide.

## **What I've decided – and why**

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 to tell Miss S I've reached the same outcome as the investigator and for broadly the same reasons, I'll explain.

It's for Barclays to decide who it is willing to offer a credit facility to. And after considering the information Miss S provided, through her applications for a credit card, about her income and outgoings, it considered that it wasn't willing to offer her a credit card. It seems Barclays didn't believe that granting Miss S a credit facility would be responsible after taking into account both, the information she provided on the applications she made and the information it held or obtained about her from the credit reference agencies. It's for Barclays to decide the criteria it uses when assessing a customer circumstances, and I've seen nothing here to suggest that it acted unfairly when considering Miss S' application. So, I'm satisfied it was entitled to decline both applications that she made.

However, Barclays did give her incorrect information when advising her to make a second application. And, I'm inclined to agree it's unlikely she would have made a second application had she known a second search would be recorded on her credit file. The investigator asked Barclays to remove this search, and it has agreed to do so.

Before I move on to the last remaining matter in dispute here, which is if Miss S is entitled to compensation for Barclays error. I feel I should clarify the following matter for Miss S. As a service we do not award compensation to representatives for the time they spend on dealing with complaints. But that does not mean we can't award compensation to the complainant for the business's mistake if we think it is warranted.

Miss S says removing the search has now become irrelevant as it was more than six months ago, and she should be entitled to compensation to recognise the time it has taken and the stress it has caused.

I think it would be useful here for me to point out, when we consider complaints at this service, we look to put consumers back in the position they would have been in had the mistake not happened. In Miss S' case that would mean the second application would not have been processed and would not have shown on her credit file, by asking Barclays to remove the search this is achieved.

So, I've gone on to think about the impact of the mistake. I've not seen any evidence to show that the second search stopped Miss S from obtaining credit elsewhere or caused any other inconvenience. But I do understand it was frustrating for Miss S to have to deal with this. I've balanced this with the inconsistent details Miss S supplied in her two applications and the impact that may have had on her second application. And based on both parties having made mistakes or giving incorrect information out, I'm satisfied that no compensation is warranted here.

I know Miss S will be disappointed with this outcome. But my decision ends what we – in trying to resolve her dispute with Barclays – can do for her.

## **Putting things right**

Barclays should now remove any trace of the second search from Miss S' credit file.

**My final decision**

For the reasons set out above, my final decision is that I uphold Miss S' complaint about Barclays Bank UK PLC. I now require it to put things right by removing the second search from Miss S' credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 May 2022.

Amber Mortimer  
**Ombudsman**