

The complaint

Mr B is unhappy that Capital One (Europe) plc declined his application for a credit account having been informed prior to applying that he had a 100% chance of success.

What happened

Mr B applied for a new credit account with Capital One. Before submitting the application, Mr B's application information was pre-vetted by Capital One, who informed Mr B that he would have a 100% chance of his application being successful, if he decided to go ahead with it. Mr B did then formally submit his application to Capital One, but his application was then declined. Mr B then resubmitted his application to Capital One, which was declined again. Mr B wasn't happy about this, so he raised a complaint.

Capital One looked at Mr B's complaint. They noted that the information Mr B had submitted in his formal application differed slightly from the information that Mr B had submitted for pre-application vetting, and that this had led to his formal application being declined. However, because Mr B had formally applied twice, Capital One agreed to remove the credit search they'd conducted for the second application from Mr B's credit file.

Mr B wasn't satisfied with Capital One's response, so he referred his complaint to this service. One of our investigators looked at this complaint. But they didn't feel that Capital One had acted unfairly towards Mr B by declining his account. However, while liaising with our investigator, Capital One agreed to remove the first credit search from Mr B's credit file also, so that his credit file would be as if he'd never applied. So, our investigator recommended that this complaint be upheld in Mr B's favour on that limited basis, to formalise the offer made by Capital One.

Mr B remained dissatisfied and felt that Capital One should honour their declaration that he would be approved for a new account as well as compensate him for the inconvenience he'd incurred. So, the matter was escalated to an ombudsman for a final decision.

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.

While I appreciate that Mr B may disagree, Capital One have been able to demonstrate to my satisfaction that some of the address history information that Mr B provided in his formal application was different to the information provided at the pre-application vetting stage.

It's also notable from the screenshots that Mr B has provided to this service, which include the statement made by Capital One that Mr B would have a 100% chance of success if he chose to proceed with the application, that Capital One based their declaration of application success percentage on 'eligibility check details and credit history', the results of which would be dependent, in part, on the address history information provided by the applicant.

It therefore seems reasonable to me, having been supplied different address history

information at the point of the formal application than had been supplied previously, that the application success percentage given by Capital One on the basis of the previous information supplied might not reasonably apply.

It's also notable from the same screenshots that Capital One confirm that they still needed to do fraud and identity checks, which Capital One confirmed meant there was still a small chance that the application might be declined, despite the 100% chance of success given.

Ultimately, given the circumstances of this complaint, it doesn't seem unfair or unreasonable to me that Capital One declined Mr B's application here, although I can appreciate how that would have been frustrating for Mr B, given the 100% chance of success he'd been told by Capital One that his application had.

Capital One have already removed the credit search for the second (duplicate) application that Mr B made from his credit file and have now offered to remove the first credit search from Mr B's credit file as well. This would have the result of leaving Mr B's credit file in the position it would have been in had he never applied for the Capital One account, and as such I feel that this offer does represent a fair and reasonable resolution to this complaint.

I'm aware that Mr B feels that Capital One should honour the statement that he had a 100% application success chance and open an account for him. But in much the same way as a consumer can choose which credit providers to apply to, a credit provider is also entitled to choose which consumers it wishes to offer an account to. In this instance, Capital One have chosen not to offer an account to Mr B, and I'm satisfied that that is a choice that Capital One are fairly entitled to make.

I'm also aware that Mr B feels that Capital One should compensate him for the trouble and upset this matter has caused. But while I appreciate that Mr B has been inconvenienced here, I feel that the differences in address history information detailed above mean that this inconvenience can't be fairly considered as being unjustified or as being purely accountable to the actions of Capital One, and as such I don't feel that any form of compensation is merited in this instance.

I realise that this won't be the outcome that Mr B was wanting, but it follows that while I will be upholding this complaint in Mr B's favour, I will only be doing so on the limited basis that Capital One must remove the information from Mr B's credit file relating to the first application, as they have already offered to do.

I hope that Mr B will understand, given all that I've explained, why I've made the final decision that I have.

Putting things right

Capital One must remove the information from Mr B's credit file in relation to the first account application, as they have offered to.

My final decision

My final decision is that I uphold this complaint against Capital One (Europe) plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 July 2022.

Paul Cooper
Ombudsman