

## **The complaint**

Mr O complains that Bank of Ireland (UK) Plc declined his application for a loan, having previously indicated that it had been accepted.

## **What happened**

On or about 17 October 2023 Mr O applied for a £3,000 loan from Post Office Financial Services (“POFS”). He signed a draft loan agreement electronically, and on the evening of 17 October received an email headed: “Post Office Money Loan: Your money’s on its way!” The email continued:

*“Congratulations - you've signed your loan agreement electronically, subject to final checks your money should be on its way to your bank account.*

*“We will contact you by post in the unlikely event more information is required to complete the checks*

*“What next?*

*“That's it for the application - just sit back, relax and your money should be in your account within three working days.”*

There followed a summary of the main loan terms.

On 19 October POFS wrote to Mr O again, telling him that his loan application had been declined. The letter explained that other lenders might not refuse a loan application, and I understand that Mr O has been able to obtain a loan from a different provider.

Mr O complained to POFS. It said that its lending decision had been based on the information he had provided and a credit check. Its eligibility checker on its website is intended to be a guide and makes it clear that further information may be needed for a full assessment of an application.

Mr O referred the matter to this service, but our investigator did not recommend that it be upheld. Mr O asked that an ombudsman review the case.

## **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.

Generally, it is for lenders to decide, as a matter of their own commercial judgment, whether they are prepared to lend to any individual and, if so, on what terms. As long as that commercial judgment is exercised legitimately, this service won't usually interfere with it. I have seen nothing to suggest that POFS's decision in this case was not made for proper reasons.

I have considered too what Mr O has said about the application process and, in particular, that he was led to believe that his application had been successful. Whilst the heading of the email of 17 October might have given that impression, I think it was clear from the body of the email that final checks needed to be made and that the loan might still be declined. It said that the money *should* be in Mr O's account, not that it definitely would be.

Whilst I can therefore understand Mr O's disappointment and frustration, I believe that POFS was within its rights to decline his loan application. I am not persuaded that it led him to believe that it would be accepted.

### **My final decision**

For these reasons my final decision is that I do not uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 13 May 2024.

Mike Ingram  
**Ombudsman**