

The complaint

Mr T complains that Tesco Personal Finance PLC, trading as Tesco Bank, rejected his application for a loan without giving adequate reasons for the decline.

What happened

I issued a provisional decision on this complaint in January 2024. A copy of that provisional decision has been attached. In that provisional decision I explained that I would take a look at any more comments and evidence that Mr T or Tesco Bank wanted to supply before I reached a final decision.

Mr T responded to my provisional decision and said:

“My complaint was not about looking for any financial settlement; I wanted to know how I failed the “credit score”. This has not been explained and I don’t agree that Tesco should be able to give a generic term when my credit history is exceptional.

I also disagree with the comment about the “rapid response”, it was I who pushed Tesco and not them. There was also the period between Tesco rejecting the appeal and being able to secure funds elsewhere, this was the only period during the extension being built which caused stress.”

Tesco Bank also responded they said they had explained that the loan had been declined because they hadn’t been able to confirm Mr T’s application details, they thought that was a reasonable response in the circumstances.

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.

I understand Mr T’s frustration, but I think I’ve explained in my provisional decision why Tesco Bank didn’t need to provide anything other than the main reason they refused to lend. While I understand Mr T’s explanation that it was his actions that led to a rapid response, I don’t think that changes my point that he wasn’t kept waiting for long and the amount of distress and inconvenience he experienced was, therefore, more limited than it could have been. I don’t think it would be fair to hold Tesco Bank responsible for the delay Mr T experienced getting approved for credit.

I’ve thought about Tesco Bank’s comments too, but I’m still not persuaded their response was sufficient to provide Mr T with the main reason for their rejection.

Putting things right

Overall, I’ve not been persuaded to change my provisional decision and that provisional decision now becomes my final decision on this complaint.

My final decision

For the reasons I've given above, I uphold this complaint and to tell Tesco Personal Finance PLC to pay Mr T £50 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 March 2024.

Phillip McMahon
Ombudsman