

The complaint

Mrs H complains Creation Consumer Finance Ltd unfairly declined her application for a loan. She thinks this was due to her age and amounts to discrimination.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

I issued my provisional decision on 26 March 2024. I explained I wasn't minded to uphold Mrs H's complaint because I didn't consider her application had been declined because of her age. I also didn't think Creation had treated her unfairly by not sharing the specifics of their lending criteria with her.

Both parties were given the opportunity to respond to my provisional decision. Creation accepted it, but Mrs H did not.

Mrs H disagreed with my decision because she maintains her application was declined on the grounds of her age – and felt this was the case due to what she had been told by the retailer when she submitted her application. Mrs H also said it was unfair that I considered Creation didn't need to share their lending criteria – particular when she considers the amount of personal data she needed to share with them during the application process.

I've taken Mrs H's comments on board; however, they do not change my position on the way I consider her complaint should be resolved.

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 considered everything, I'm not upholding Mrs H's complaint. I know this isn't the outcome she hoped for, but I'll explain my reasons below:

- I should start by explaining our service is an informal alternative to the Courts. This means we don't have the power to make a finding of discrimination under the Equality Act 2010. That's something only the Courts can do. However, we can decide if a consumer has been treated fairly, and when doing so, we take relevant legislation, rules, regulations, and good industry practice into account – including the Equality Act 2010.
- When Mrs H raised her complaint, Creation explained her loan application had been declined because her circumstances didn't meet their lending criteria. Our Investigator felt this complaint should be upheld because Creation hadn't sent us any information about their lending criteria or why Mrs H's circumstances didn't meet them. As such he couldn't be satisfied they'd considered her application fairly.

- While this complaint was waiting for a final decision, Creation sent us evidence that explained why Mrs H's application didn't meet their lending criteria. Having seen and considered this information, I'm satisfied they acted reasonably when Mrs H's application was declined. Moreover, this evidence has suggested that Mrs H's age wasn't the reason for the declination.
- Mrs H says when her application was initially declined, an adviser at the retailer said they felt the loan wasn't approved due to her age. I don't dispute this is what Mrs H recalls being told, however, the retailer is a separate business to Creation. As such I can't hold Creation responsible for the misinformation she was given by the retailer. And given the evidence provided by Creation, I'm persuaded the retailer gave her the wrong reasons for the declination of her application. Therefore, the information Mrs H was given by the retailer doesn't persuade me to change my opinion on this complaint.
- Mrs H has asked for the specific reasons her application was declined, and I can understand why she would want this. However, this isn't information she's entitled to receive, and it isn't unusual for a business' lending criteria to be deemed commercially sensitive. There are legitimate reasons for this, so I also don't consider Creation treated her fairly when they declined her request for detailed information about their lending decision.
- While I don't consider Creation were obligated to send Mrs H details about their lending criteria and why her application was declined, I do consider they could have done more to help. In particular, it may have been helpful if they had done a bit more to direct her to resources and/or organisations that can help consumers better understand why a credit application was declined. That's because credit applications consider multiple factors – and a consumer's credit score isn't the only consideration. Given what Mrs H has told us about her credit score, I can understand why she was left confused by this situation.
- While I think Creation could have explained things a little better, I'm not persuaded their mistake warrants an award of compensation to resolve this complaint.
- I've noted what Mrs H has said about the information she was required to provide during the application process. When making an application for credit, consumers are reasonably required to provide their personal data so that their application can be adequately considered. It's not for our Service to say what information Creation should or shouldn't have requested in the application as that's a commercial decision for them to make. But I've not seen any evidence to suggest Mrs H was asked for more personal data, than another consumer with similar circumstances. Because of this, I can't agree she's been treated unfairly.

I know this outcome will come as a disappointment to Mrs H, but for the reasons above, I'm not upholding her complaint.

My final decision

My final decision is that I do not uphold Mrs H's complaint about Creation Consumer Finance Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 17 May 2024.

Sarrah Turay
Ombudsman