

The complaint

Mr S complains that Santander UK Plc rejected his application for a credit card account.

What happened

Mr S applied for a credit card with Santander. He completed the eligibility checker and was given an indication that he met the criteria. Mr S also checked his credit score and found that he had the maximum score of 999.

Mr S proceeded to apply online for the credit card. His application was rejected.

Mr S contacted Santander and asked how to appeal the decision. He was given conflicting advice by different agents. One agent advised him to go into branch to appeal and another advised him to send a letter.

Mr S went into his branch and was advised that he should write a letter. He was also told that within 10 days from the decline date he would receive a letter advising him of how to appeal the decision.

Mr S complained to Santander. In its final response, it apologised for wrongly advising Mr S to go into branch to appeal the credit card decline. It offered compensation of £50 for the inconvenience caused to Mr S at having to go into branch.

Mr S remained unhappy and complained to this service.

Our investigator upheld the complaint. She said that Santander could've done more to communicate the reason for the decline and said that further compensation of £100 should be paid.

Mr S didn't agree. He said that Santander had encouraged him to apply for the credit card and the eligibility checker indicated that he would be accepted for the card if he applied.

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 that wants to know the reason why his application was declined. He's said that he expected to be approved for the card having completed the eligibility checker, because he already held a credit card with Santander and because his credit score was very high.

I understand how frustrating this is for Mr S. However, Santander's terms and conditions allow it to decline an application and it doesn't have to disclose the reason why, as this is considered to be business sensitive information. I'm unable to require Santander to provide Mr S with the reason for the decline.

What I am able to do is look at whether Santander treated Mr S fairly when it declined his application. Santander assess applications using its own lending criteria. These criteria take

into account the information provided on the application, what Santander knew about Mr S as a customer and information obtained from credit reference agencies.

I've reviewed the information provided by Santander about the decision and I'm satisfied that it has applied its internal lending criteria.

For these reasons I'm unable to say that Santander has made an error or treated Mr S unfairly when it declined his application.

As part of this complaint, I've also considered the incorrect advice given by Santander to Mr S when he asked how he could appeal the decline decision.

Santander has acknowledged that it provided incorrect advice when it told Mr S that he needed to visit his branch to appeal the decision. It has already paid compensation of £50 to Mr S.

I've thought about whether this goes far enough to compensate Mr S. Mr S has told this service that he found the interaction with Santander staff lengthy and distressing, and that he received conflicting information which caused him confusion. As a result of the incorrect information Mr S spent time travelling to his local branch. Taking everything into consideration, I don't think the compensation paid is sufficient to recognise the impact on Mr S. I agree with the investigator that Santander should pay further compensation of £100.

Putting things right

To put things right Santander UK Plc must pay further compensation of £100 to Mr S.

My final decision

My final decision is that I uphold the complaint. Santander UK Plc must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 August 2024.

Emma Davy
Ombudsman