

The complaint

Mr K complains that Clydesdale Financial Services Limited trading as Barclays Partner Finance (Clydesdale), unfairly declined his application for credit, and failed to provide sufficient reasoning as to why.

What happened

In February 2024, Mr K visited an electronics store to purchase a mobile telephone on credit. An application was made by the store to Clydesdale – the finance provider – on behalf of Mr K, but Mr K's application was subsequently declined. Mr K says Clydesdale explained that the reason for decline related to information held on his credit file, and that his existing available credit limits would've been considered, and how, if their use were maximised, this might impact his ability to sustainably maintain repayments on any future credit agreement. Unhappy with this, Mr K complained.

Mr K argued that his credit score was excellent, and he'd never missed any payments towards existing credit commitments. He said that he felt Clydesdale had failed to provide an adequate reason for declining his application. He also questioned whether his age may have been a contributing factor in Clydesdale's decision not to provide him with credit.

Mr K received no response to his complaint from Clydesdale within the required eight-week timescale, so he brought his complaint to our service.

An investigator considered the complaint and reached out to Clydesdale for comments.

Clydesdale said they had declined Mr K's application fairly, and they felt they'd provided him with adequate reasoning as to why. They said they wrote to Mr K on the day of the application declination explaining that based on the checks they have in place, and using both the information provided in Mr K's application as well as additional information obtained from credit reference data agencies, they were unable to approve Mr K's application.

The investigator issued an opinion, where, in summary, she said she was unable to make a finding as to whether Clydesdale's actions amounted to discrimination under the Equality Act 2010; but it was her opinion that Clydesdale had not treated Mr K unfairly when declining his application. She was also satisfied that Clydesdale had provided Mr K with sufficient information regarding the reasons for his application being declined.

Mr K remained unhappy, so the case has been passed to me, an Ombudsman, to decide.

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.

The key areas for me to consider here are:

- 1) whether Clydesdale declined Mr K's application fairly, taking into account the comments he made around his age potentially being a factor, and;

- 2) whether Clydesdale provided Mr K with sufficient information as to why his application was declined.

I'll turn first to the application itself. Clydesdale have provided us with information around the reasons for the declination of Mr K's application. I'd like to explain that I appreciate what I say here may sound somewhat vague, but Clydesdale's underwriting criteria is information that they are entitled to keep confidential. Also, it's important to note that it's not for me to compel a business to provide credit to a customer – this is a commercial decision for Clydesdale to make, as a business. I can only make a finding on whether or not I think Clydesdale treated Mr K fairly in declining his application for credit.

From what I've seen, Clydesdale chose to decline Mr K's application after he provided them with application information, and from what they discovered having carried out a credit check. Based on these checks, they chose not to accept Mr K's application. They advised Mr K of this by phone, when they told him that his existing credit commitments and available credit limits was the reason they were unable to lend. They also wrote to Mr K in February 2024 explaining this further. So based on what I've seen, there's nothing to suggest that Mr K's age played a part in Clydesdale's decision-making process, and I'm satisfied that the information Clydesdale has shared with both us, and Mr K, in relation to his credit file data, was the reason for his application being declined.

When Clydesdale wrote to Mr K, they said:

“Thank you for your recent application. Unfortunately, after careful consideration. We can't offer you credit on this occasion. We've based our decision on a number of reasons, which includes the checks we have in place as a responsible lender. We use the information you gave us in your application, and additional information from Experian, Equifax and TransUnion. We may also use information from CIFAS, a fraud prevention service. In some cases, Experian may tell us that you have taken steps to stop us accessing your information. You can contact these agencies directly to find out what information they have about you – they might charge a fee for this.”

Based on what Clydesdale wrote above, and what Mr C has said he was told over the phone about his available credit limits, I'm satisfied that Clydesdale declined Mr K's application fairly, and provided him with adequate information as to why his application was declined.

I appreciate this may come as a disappointment to Mr K, and I know it's not the outcome he was hoping for. But I hope I've been able to explain clearly why I've reached the outcome I have; and why, overall, I'm satisfied Clydesdale have done enough in the circumstances. So, for the above reasons, I won't be asking them to do anything more.

My final decision

My final decision is that I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 January 2025.

Brad McIlquham
Ombudsman