

The complaint

Mr C complains that Cumberland Building Society unfairly rejected his application for a current account.

What happened

Mr C says that, after the sad loss of his father in April 2020, he attended a Cumberland branch to sort out his father's accounts.

Mr C explains that he made an application to have a current account with that Cumberland branch. However, he was subsequently disappointed to learn that his application was refused due to his credit score. Mr C says this was hard to believe due to his earnings and good credit score, so he complained and appealed the decision.

Mr C says he was referred to credit reference agencies and, when he did so, he still couldn't understand the decision. He explains the ramifications of the decision on his job, that he felt it necessary to explain the Cumberland refusal decision to his employer and he feared he may have his security clearance revoked or lose his job and income.

Mr C felt that being wrongly accused of having bad credit is defamatory and damaging to his reputation and he wanted the information that informed the refusal decision disclosed to him.

Mr C complained to our service in March 2023 as he thought he might be a victim of incompetence, discrimination and defamation by Cumberland and required compensation.

When our service contacted Cumberland, they didn't have any record of a complaint from Mr C and needed to investigate. Upon completion of their investigation, they couldn't find any information about an application from Mr C.

Our investigator looked into Mr C's complaint and, because of a lack of information from both parties, said he couldn't say that Cumberland had acted unreasonably or unfairly and wouldn't be asking them to do anything further.

As Mr C remains dissatisfied this case has been referred to me to look at.

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 done so, while I know this will come as a disappointment to Mr C, I'm not upholding his complaint and I'll explain why.

I should first explain this service can't instruct a business or business group to alter its procedures, processes or systems. I say this because we aren't the regulator of the financial services industry. Our role is to consider each individual case and, where we think a business hasn't acted fairly and / or reasonably in the circumstances, decide what should be done to put right any financial, or non-financial losses that a consumer has experienced.

Also, it's not for this service to judge whether Cumberland have breached either the Data Protection Act or the Equality Act, as that's an issue for the courts. But I can take into account any relevant law and wider industry practice when deciding whether Cumberland treated Mr C fairly and reasonably in the circumstances of this complaint.

Due to the lack of any evidence in this case, inconsistent and contradictory information, I made further enquires with both Cumberland and Mr C.

I asked Cumberland to clarify information on their complaint response letter. This was to confirm they had checked all address records for Mr C. Also, to understand parts of their letter that appeared contradictory.

The following comments confirmed Cumberland had no application record for Mr C:

- *"no record of the application on our system"*
- *"we hold no information in relation to you requesting to open a current account with us"*

Yet, the following comments were confusing and suggested otherwise:

- *"You applied via our website, to open a current account with us"*
- *"You had applied for the Cumberland Plus current account and must have agreed to this being your main current account"*

Cumberland confirmed they had checked their systems for Mr C's addresses.

Regarding the first seemingly contradictory comment Cumberland said:

- *"Where I say in the letter that 'You applied via our website, to open a current account', this was based on the information that Mr C provided us with. He told us, that he had visited a branch at first, however during this time as it was the 1st Covid lockdown, our smaller branches had closed, and we were not offering any face-to-face appointments, and these were conducted over the telephone or via online applications. Mr C advised me that he had received an email to decline his current account, however he could not provide this. If you received a telephone appointment the decline outcome would have been notified by telephone or post, whereas application conducted online received notifications via emails".*

Regarding the second seemingly contradictory comment Cumberland said:

- *"I quoted the terms and conditions of our 2 types of current accounts, in the hope this would help the reasons behind the decline, and maybe remind him of the account types and the terms and conditions, as Mr C had told us, that he had a large income 'high earner', which would focus on the Plus account as this offers more benefits. I have no confirmation that this is what he was looking at, it was presumed, as it fitted his details more".*

I found this information helpful, and hopefully Mr C will too, as there is now no ambiguity over Cumberland's comments.

As Cumberland have no complaint or appeal records, I wanted to check whether Mr C had retained any information that would evidence or help trace his application. So, I asked Mr C to clarify the following information he submitted on our complaint form:

- *"I complained and appealed the decision"*

Mr C responded to confirm he received a refusal letter but doesn't have a copy. He explained he made phone enquiries and *"I have a feeling I followed up with a message on their online web contact form."*

I recognise Mr C's frustration here. He made an application, was led to believe it was rejected because of his credit score and, even though he didn't understand how this was possible, he informed his employer and is still worried about a negative consequence. Yet, there is no record of an application, credit reference check or the correspondence he recalls receiving from Cumberland. Also, due to the passage of time, it is difficult for him to recall event details and data has been deleted in line with policies. Furthermore, as it appears unlikely the rejection reason was due to a negative credit reference agency check, Mr C needn't have made a communication to his employer, and he feels Cumberland's decision to decline must be because they have detrimental information on him and have been discriminatory.

Our service doesn't have powers to interrogate business systems or records and it is Mr C's prerogative to do a subject access request. We do though have a mandate to resolve complaints in an informal way, asking both parties to submit their evidence and arguments to enable a decision based on the submissions presented.

Having looked at all the information on file and the above responses to my enquiries, I'm satisfied that I have considered all available information here. Having done so, neither party has any evidence of an application being processed and some information is inconsistent and contradictory. So, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

Although I'm persuaded that Mr C did submit an application for a Cumberland bank account, and I understand his belief, it isn't possible to confirm that he did make an application or find out what happened to it. So, it would be unfair to say that Cumberland made an error here, when there is no information to indicate an application was submitted. And, if it was submitted, it is more likely than not that the application was automatically rejected and, in that event, rather than being "wrong or poor", the advice to speak with credit reference agencies would have been a routine response to automated rejection enquiries.

So, whilst I appreciate Mr C's frustrations here and know he will be disappointed, when considering all the above, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 November 2023.

Paul Douglas
Ombudsman