

The complaint

Mr A complains that Clydesdale Financial Services Limited, trading as Barclays Partner, who I'll call BPF, refused him credit without a valid reason.

What happened

I issued my provisional decision on this complaint recently. An extract from that provisional decision is set out below.

What I've provisionally 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, and don't doubt, that Mr A has an excellent credit score. He's explained that he has a previously unblemished repayment history on a credit account used to purchase a similar phone and financed through BPF. In those circumstances, I can understand it would have been embarrassing for him to be denied credit in store with others present, and that it would have been frustrating for him not to have received more detailed information about why his application was refused.

The Standards of Lending Practice set out by the Lending Standards Board says:

"PS4. If the customer's application is declined firms should, where possible, inform the customer of the main reason for this.."

BPF explained to Mr A that their main reason for rejecting his credit application was that he didn't pass their internal credit scoring assessment. I would not expect them to share details of how this score is generated as that's sensitive information that could be used by consumers to manipulate their credit applications. So, I think BPF have done what was required of them; they've provided the main reason for the decline.

I would not think it fair for BPF to reject Mr A's application because of his age and I can understand why he has suspicions that was the case, as in the absence of a more detailed explanation from BPF he would wonder why a previous application would be successful but this one wasn't.

BPF have explained that their approval process is automated. They've explained some of the criteria that would be considered and given me a plausible reason why Mr A's application was likely to have been declined. I know it's frustrating for Mr A that I can't share that information with him, but I'm sure he would understand that is for security reasons – to protect the integrity of the systems and procedures BPF use when making their decisions.

As the process is automated I think it's likely the criteria used in that automated decision would be regularly audited. That's another reason why I think it very unlikely BPF would decline Mr A's application unreasonably, on age grounds as I think it likely any audit would identify the unlawful use of a protected characteristic as a selection criteria.

It's for those reasons that, whilst I have every sympathy for Mr A, I don't think it would be fair to suggest BPF have done anything wrong here.

My provisional decision

I'm not expecting to uphold this complaint.

Further comments and/or evidence

BPF accepted my provisional decision without further comment.

Mr A didn't agree with my provisional decision. I repeat his comments in full here so that BPF can see them. He said:

"It surprises me that initially a judgement was found in my favour and now the ombudsman has decided that Barclays can without any explanation to me can refuse me credit, embarrass me in an Apple store full of people with people quite clearly hearing me speaking to Barclays operative and the store salesperson with my new phone in hand saying credit had been refused.

My previous phones had been purchased using this credit facility as well as with another company whom I believed used the same company, having not missed a payment and completed the term, I could see no justifiable reason to decline my application, especially with a credit rating as high as mine.

I appreciate that in the past that the banks have made bad judgements that resulted in the British Taxpayer bailing them out and so they naturally need to be vigilant in future regarding bad debt, but someone of my stature is not a bad debt and as it transpired had the means to pay cash there and then to purchase the phone. I am still working and at the time had 3 streams of income, one from self-employment, one from working as an employee and a pension and so if someone can give me a justifiable reason for this application to be turned down then I would accept it, however, I have not been given a reason and so I do not agree with the ombudsman's provisional decision to find in the banks favour rather than mine.

Additionally, if this is how Barclays treats its customers and Shareholders, I will be transferring any accounts I have with them and selling my shares as they have dishonoured themselves in my eyes and will not be doing any further business with them."

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.

While I understand Mr A's frustration I don't think he's provided any additional information I wasn't already aware of. So, I've not found reason to change my provisional decision and that now becomes my final decision on this matter.

My final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 August 2023.

Phillip McMahon
Ombudsman