

The complaint

Mr M complains that Barclays Bank UK PLC carried out a hard credit search when he opened a new account. He says he wasn't told this would happen and it affected his credit score.

What happened

Mr M says that he wasn't told that a hard credit search would be done when he opened a new account. However, he checked his credit score after opening the account and it had dropped significantly. He says this has caused him a lot of stress and he wants compensation.

Barclays said that a hard credit check is undertaken when a customer opens a new account, and that Mr M would have been advised of this in the application process. It said the information recorded with the credit reference agencies was factual and so it wouldn't be removed.

Our investigator didn't uphold this complaint. He said the credit search was undertaken in line with industry standards and noted that the account terms and conditions state that information will be shared with the credit reference agencies. He said that he was unable to hold Barclays responsible for the amount Mr M's credit score dropped due to the account application process.

Mr M didn't agree with our investigator's view.

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 can understand why this situation has upset Mr M and I am sorry to hear of the stress he has been caused. However, for me to uphold this complaint I would need to be satisfied that Barclays had done something wrong or treated Mr M unfairly.

Mr M applied for a new account with Barclays. It has explained that it is regular business practice to complete a credit check when a new account is opened. I understand that this wasn't Mr M's first account but as he was opening a new product, I cannot find that Barclays was wrong to follow its usual process and carry out the credit search.

Barclays has said that Mr M would have been told in the application process that a credit search would be carried out. Mr M said he wasn't told this. I cannot say what Mr M was told or whether there was a misunderstanding about this. But the account terms and conditions make it clear that information will be shared with the credit reference agencies and as Barclays followed its usual process by carrying out the search as part of the application process, I do not find I can say it has done anything wrong or treated Mr M unfairly.

Mr M has noted the amount by which his credit score dropped. Barclays doesn't determine

the impact its reporting of a credit search will have on a credit score and Mr M's credit score will be affected by many different factors. As Barclays reported accurate information, that is that a credit search was undertaken, I do not find I can require it to remove this from Mr M's credit report.

While I know this will be disappointing for Mr M and I am sorry that he has been caused so much stress through this process, I do not find that Barclays has done anything wrong and so I am not upholding this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 November 2023.

Jane Archer
Ombudsman