

## **The complaint**

Miss L complains Tesco Personal Finance plc trading as Tesco Bank (Tesco) unfairly declined her credit card application.

## **What happened**

Miss L says she applied for a Tesco credit card in February 2023 and before applying she checked her credit score, which was very good, and a comparison website suggested she had a high percentage chance of acceptance. Miss L says she was very disappointed to learn her credit card application had been declined by Tesco, so she appealed the decision which again was rejected.

Miss L says Tesco haven't given her any explanation why her application was declined, and she wants Tesco to provide a full explanation or provide the credit card she applied for.

Tesco says it looks at a full range of information when assessing applications and even after a manual review was undertaken, Miss L's application still didn't meet its internal lending criteria. Tesco says it has done nothing wrong.

Miss L wasn't happy with Tesco's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator explained Tesco's aren't obliged to disclose its internal lending criteria as these are commercially sensitive. The investigator says while Miss L's credit score may be strong that's not the only criteria Tesco's would have used to assess her application as a number of considerations are taken into account. The investigator felt Tesco didn't need to explain why the application had been rejected and he couldn't tell Tesco to do so.

Miss L didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

## **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, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Miss L to learn her application for a Tesco credit card account had been declined. When looking at this complaint I will consider if Tesco acted unfairly when it refused Miss L's credit card application.

Miss L's complaint centres around the fact despite having a good credit score and the fact she had prior indications her credit card application would be approved, Tesco rejected this without a full explanation why.

I understand the points Miss L makes here but I'm not fully persuaded by her argument. I

say this because although Miss L maintains she has a very good credit score and a comparison website indicated a high percentage of acceptance, that's not to say Tesco would necessarily approve an application solely because of this.

It's worth saying Tesco have its own internal lending criteria and it would consider many factors before approving a credit application and it's fair to say Miss L being eligible for the credit card is only an indication that she meets the basic application requirements.

Tesco's internal lending criteria as explained by the investigator, is considered commercially sensitive information and it's not my role to tell it that it must divulge this or the reason why Miss L's application didn't meet those criteria.

I have seen Tesco undertook a manual review of Miss L's application after she appealed Tesco's original decision, but it still felt it didn't meet its internal lending criteria – given that I can't ask Tesco to do any more than that here. I am satisfied Tesco fairly considered Miss L's application but unfortunately it didn't meet its lending criteria at that time.

While Miss L will be disappointed with my decision, I won't be asking anymore of Tesco.

### **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 Miss L to accept or reject my decision before 17 October 2023.

Barry White  
**Ombudsman**