

The complaint

Mrs B complains about the poor customer service she received from Bank of Ireland (UK) Plc (BoI) after she applied for a loan.

What happened

In January 2023 Mrs B applied for a £5,000 loan from BoI payable over 60 months as she urgently needed roof repairs. Mrs B said she received confirmation about her loan application and that the money would be in her bank account within two working days. The day after making the loan application Mrs B was unsure as to whether she'd completed her bank account details correctly and called BoI for reassurance. She said she was told the application hadn't been looked at, and after she expressed concerns about BoI not meeting their stated timeframe for the loan being paid into her bank account she could hear the frustration of the agent she was speaking to.

Mrs B said the call left her concerned about the application process, and as she'd already been pre-approved for another loan, although at a slightly higher interest rate, she decided to cancel her application with BoI. Mrs B said she was told the application would be recorded against her credit file. Mrs B complained to BoI about their application process, the customer service she received. And that it was unfair to record an application against her credit file when it hadn't been looked at by BoI before she'd cancelled it.

BoI said they'd listened to the call and they'd explained to Mrs B that the two day timeframe was subject to full checks being made and that she'd been contacted if further information was needed. They said their agent had tried to help by explaining the process to her. And that it was Mrs B who decided to cancel the application. BoI also said that Mrs B was told at the time she submitted her application that a credit check would be done and recorded on her credit history.

Mrs B wasn't happy with BoI's response and referred her complain to us.

Our investigator after listening to the calls said that BoI could have done more. And that this had caused Mrs B distress and inconvenience. They said BoI should pay Mrs B £75 to compensate her for this.

BoI didn't agree and asked for 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.

Having done so I'm upholding this complaint. I'll explain why.

Mrs B called BoI the day after she made her loan application and had received back an acknowledgement from them which said:

“Congratulations-you've signed your loan agreement electronically and subject to final

checks your money will be with you soon. We will contact you by post in the unlikely event more information is required to complete the checks."

And goes on further to say:

That's it for your application – just sit back, relax and your money should be in your account within two working days.

Mrs B wanted to check she'd given the right bank account details. And I think its clear that time was a concern for Mrs B. Having listened to the call I think more could have been done to reassure her about the application process. Early in the call Mrs B is told "*within two working days, if approved*" to which she responds, "*yes right*". But its clear after Mrs B was told that her application hadn't yet been looked at that she was concerned that the application was going to take a lot longer than she'd thought it would. She consistently refers back to the wording detailed above and it taking only two working days. And expresses her concerns that she'd only be contacted if there was any issue by post. Its clear Mrs B wanted reassurance about the process and an understanding of when and how she would hear about her loan application.

I understand that this wasn't something she could be categorically told. But I think there were several missed opportunities when clarity and reassurance could have been given as to what would happen with her application. And it could have been reiterated that the two days didn't mean from the date her application was submitted. But from when the loan was approved after the full checks had been done. Instead, Mrs B was asked what she wanted them to say, rather than her being provided with a better understanding of the process and timeframes for her to be able to decide whether to wait for the outcome of her application.

Mrs B several times also raised her concerns about being asked for information by post as this would add to the time her application would take. It was quite late in the call before there was any mention of the use of email.

Overall I think Mrs B was left feeling very unsure about when and how she would hear about her loan application. So instead of being able to "*sit back, relax*", she was now worried about the application, so much so that she decided to cancel it and to seek a loan elsewhere.

Mrs B has commented that she heard "*huffing*" during the call, while I didn't specifically hear this, I do think it was evident that there was some frustration with the questions Mrs B was asking. So, taking everything into account I agree with our investigator that this caused Mrs B distress and inconvenience. And Bol should compensate her for this by paying her £75.

I know Mrs B isn't happy that her loan application has been recorded on her credit file but it's important that credit files are an accurate record of that person's financial history. This is because other lenders may rely on that information when making credit decisions. A credit check will happen on a loan application as the lender will search the applicants credit report. And this would have been done when her application was submitted. So, I can't say Bol has done anything wrong by recording the loan application as it had been submitted.

My final decision

I uphold this complaint. And ask Bank of Ireland (UK) Plc to pay Mrs B £75 for distress and inconvenience caused to her by poor customer service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 11 November 2023.

Anne Scarr
Ombudsman