

The complaint

Mrs F complains that a branch agent of National Westminster Bank Plc, who I'll call Nat West, told her that a loan application would be successful despite her limited Visa status. As her application was unsuccessful *because* of her Visa status, Mrs F says that credit checks were unnecessary and she says they have damaged her credit file and made it more difficult to obtain credit elsewhere.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it will disappoint Mrs F, but I think Nat West have been reasonable in their response to her complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

In their final response to Mrs F Nat West accepted it was likely their staff had made a mistake and the inference was that their staff had suggested Mrs F's application for credit was likely to be successful. Mrs F says they should have considered her limited Visa status before completing credit checks and as Nat West agree her loan application was unsuccessful because of her Visa status and not because of anything contained on her credit file, that the credit checks were unnecessary. She says it's the presence of those credit checks on her credit file that prevented her obtaining credit elsewhere to fund a kitchen.

I think Nat West should have realised Mrs F's Visa status would mean that they were unlikely to be able to offer a loan and as they accept it was likely they made a mistake in that regard they should compensate Mrs F for the distress and inconvenience caused.

The credit searches were completed in mid-November 2022 and Nat West's final response only a couple of months later, explains that they have removed the searches from Mrs F's file. It therefore seems the impact, if any, of those searches being on Mrs F's file would have been minimal, and while I understand Mrs F thinks other credit was denied purely on the basis of those checks, I don't think I have sufficient evidence that was the case and the

application wasn't impacted by other issues, such as the amount of credit on file, her repayment history, or the lender's own criteria for advancing credit.

And, even if Nat West hadn't removed those searches as their final response suggested, I don't think it was unreasonable to complete the searches before considering Mrs F's Visa status.

Nat West offered Mrs F £200 to compensate her for the distress and inconvenience caused by their misleading advice and taking all of the circumstances into account, I think that was reasonable.

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 Mrs F to accept or reject my decision before 23 August 2023.

Phillip McMahon
Ombudsman