

The complaint

Mr M complains Santander UK Plc turned him down for a personal loan, despite advertising he had a 95% chance of success.

What happened

On 4 May 2023 Mr M saw on a price comparison site he had a 95% chance of getting a personal loan with Santander. He applied for the loan, but says he was turned down within ten minutes of his application. He says the 95% chance of success was a misrepresentation, and he'd never have applied had they not said he had this high a chance of being accepted.

Santander said they're obligated to record factual information on Mr H's credit file and they have to record that an application took place. They said their underwriters consider a variety of factors including his income, expenditure, and how much credit he already has available. They said they don't control information on third party websites, and on this occasion his application was unsuccessful. Santander said they wouldn't be able to uphold the complaint when they hadn't made an error.

Mr M wasn't happy with this and asked us to look into things saying he thought he was due compensation. One of our Investigators did so but didn't think Santander had done anything wrong.

Mr M didn't accept this. He said Santander allows third party companies to promote their products, so they must be liable for incorrect information. As Mr M didn't agree, the complaint's been passed to me 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 read through the file, Santander have said they're not responsible for how third-party sites advertise their loans. Mr M disagrees, and thinks they are responsible.

It's not entirely clear to me whether they would or wouldn't be – but Mr M's complaint is based on him being lied to about the chances of him getting a loan.

While I've noted his comments, the percentage success rate wasn't advertised at 100% - it was advertised at 95%. So, even if I accepted his arguments about Santander bearing responsibility for the information the third-party sites displayed, I'd likely say they still hadn't done anything wrong – on the basis he could still have been turned down because the chances of him getting the loan weren't 100%.

In addition, Santander have provided the screenshots Mr M would have needed to have gone through when applying for the loan.

The first screen provides a loan calculator, and under that it says Santander “*reserve the right to refuse any application*” and “*All credit is subject to status and credit checks.*”.

During the process, applicants are directed to the Key Facts – which on page two talks about doing credit checks and explains they’ll do a credit search before they decide whether to lend any money. So, I think Mr M should have been aware when completing his application with Santander, it could be turned down and a hard search left on his credit file.

I do understand Mr M’s frustration, because with an approval percentage figure of 95% it’s unsurprising he expected to get the borrowing – but for the reasons I’ve explained above I’ve not seen that Santander made an error. So, I won’t require them to pay him compensation, or remove the hard search they’ll have carried out on his credit file.

My final decision

For the reasons I’ve explained above, I don’t 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 31 January 2024.

Jon Pearce
Ombudsman