

## **The complaint**

Mr M complains Jaja Finance Ltd have refused to tell him why they've turned down his application for a credit card with them.

## **What happened**

On 3 January 2023 Mr M applied for a credit card provided by Jaja. He was turned down for the credit card and told if this was due to a credit check, then he could speak to the credit reference agencies (CRAs) to find out if there was negative information on his credit file. Having checked with the CRAs, Mr M found no negative information, so he wanted to know why he'd been turned down for the credit card. And, unhappy with Jaja's refusal to tell him why, he complained.

Jaja said Mr M's application didn't meet their lending criteria. And, their lending criteria was commercially sensitive, so this wasn't something they were required to tell Mr M about.

Unhappy with this, Mr M asked us to look into things. One of our Investigators did so, and also decided Jaja didn't have to tell Mr M why his application had been turned down – but having seen their criteria felt they'd done so fairly.

Mr M didn't accept his and provided a number of comments – largely focused on it being unfair Jaja wouldn't tell him why he'd been turned down for the credit card. So, 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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr M's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The crux of Mr M's complaint is that Jaja haven't told him the reason why they've turned down his application. He thinks this is unfair.

As a starting point, and I realise this will disappoint Mr M, but Jaja and other lenders aren't generally required to disclose their lending criteria. This is considered commercially sensitive as Jaja and our Investigator explained. The primary reason for this is because some people might use that information to exploit the lender's system. There is no suggestion I've seen from Jaja this applies to Mr M. But, the more information lenders such as Jaja put out in to

the public domain about their lending criteria, the greater chance of someone maliciously using that.

So, all I can really assess in Mr M's case is whether Jaja have turned down his application fairly based on the information he's provided.

To decide that, Jaja were required to disclose the reasons to our service why they turned down Mr M's application. I can see he's asked why they're allowed to tell us, but not tell him. I hope the reasoning I've given above helps Mr M understand why they've not told him. And our service operates under what's known as the Dispute Resolution Rules (DISP Rules). These rules are set by the regulator the Financial Conduct Authority (FCA) and can be found on the FCA's website in the Handbook. In brief, DISP 3.5.9 part (2) says our service may accept information in confidence.

So, I've considered the evidence Jaja have provided, and I'm satisfied that does show Mr M's application was turned down fairly. In an attempt to put Mr M's mind at ease, I've seen nothing to suggest Jaja hold incorrect information for him in their systems.

I do understand Mr M's frustration at not knowing the reason why, and then finding nothing wrong with the CRA he contacted. I think it was sensible advice for Mr M to check his credit file, as often this is the reason people may have issues. Here that isn't the situation – as Mr M himself says it can't be because his credit file is clear.

Jaja have their own internal lending criteria, as will all lenders. Gathering information from a credit file is one part of considering an application – other steps will also be taken.

Overall, Mr M's application didn't meet Jaja's lending criteria, and I'm satisfied he's been treated fairly when they turned him down for the credit card.

### **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 21 February 2024.

Jon Pearce  
**Ombudsman**