

## **The complaint**

Mrs S complains that JaJa Finance Ltd declined her application for an Asda Money credit card.

## **What happened**

In October 2023 Mrs S applied for an Asda Money credit card. Initially Mrs S experienced some issues with the application and received an error message which asked her to apply again in a couple of days time. She complained to JaJa Finance about this, who upheld the complaint based on the technical issue.

Mrs S reapplied in November 2023 but her application was declined.

In December 2023 Mrs S received an email confirming approval of an Asda credit card but when she logged in to the online banking, she discovered that the details weren't hers, but those of another customer.

Mrs S complained to JaJa Finance. She said she didn't think she should've been declined for the credit card because she has a good credit score.

JaJa Finance didn't uphold the complaint. It said that Mrs S's application didn't meet its lending criteria and had been declined for this reason.

In relation to the personal data issue, JaJa Finance issued a separate final response letter in which it said the issue had arisen due to an IT misconfiguration. It said that none of Mrs S's personal information had been visible to anyone else, and it had removed her access to the other persons data.

Mrs S remained unhappy and brought her complaint to this service. She doesn't think her application for a credit card should've been rejected.

Our investigator upheld the complaint. He said she was satisfied that the second application had been fairly declined by JaJa Finance but said that the issues with the first application and the issues with the other persons data had caused Mrs S inconvenience, in respect of which the investigator awarded compensation of £100.

JaJa Finance accepted the investigators view. Mrs S didn't agree. She said she felt that upholding her complaint meant that her credit card application should be approved. She said she didn't think it was reasonable for JaJa Finance to decline her application because she had significant capital assets and savings and a good credit record.

## **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.

Before agreeing to lend money or provide credit, a business must take reasonable steps to make sure it doesn't lend irresponsibly. In practice, this means that the business has to carry

out checks to make sure that the consumer can afford to repay what is being lent to them in a sustainable way. These checks can take into account a number of factors. The checks are often referred to as the lending criteria. A business can set its own lending criteria and the decision on whether to lend to a consumer is a commercial one and not one with which this service can interfere. I've explained this because it's important that Mrs S understands that I can't ask JaJa Finance to approve her application for a credit card. What I can do is look at whether JaJa Finance treated Mrs S fairly.

There are a number of reasons why a lender might not approve an application for credit. For example, some of the most common are that a consumer has a low credit score, the consumer has a record of late payments or a history of only making minimum payments, the consumer's income is too low, the consumer has too many recent credit applications, or the consumer has too much available credit.

In this case, JaJa Finance has said that Mrs S didn't meet its lending criteria. It said the application didn't meet the affordability check.

Based on what I've seen, I'm satisfied that JaJa Finance applied its lending criteria and decided – based on those criteria – that it couldn't offer Mrs S a credit card. I haven't seen anything to suggest that JaJa Finance applied its lending criteria unfairly.

I appreciate how strongly Mrs S feels about her credit card application. She's told this service that she has significant capital assets and income and a good credit record. I have no reason to doubt what she says. However, ultimately, it's a commercial decision for JaJa Finance whether it approves a credit card application. This service isn't able to require JaJa Finance to give Mrs S an account.

I've gone on to consider the other issues which Mrs S experienced. These relate to her first application, where she received an error message, and a subsequent email advising her that her application had been successful which turned out to be another customer's account. JaJa Finance has acknowledged that a system issue affected Mrs S's first application and an IT misconfiguration was the cause of the access to another customer's details in December 2023. I've thought about the impact of these issues on Mrs S and I agree with the investigator that JaJa Finance didn't provide her with the customer journey she expected. In the circumstances, I think it's fair to ask JaJa Finance to pay compensation to recognise the inconvenience caused to Mrs S by these errors. I think the sum of £100 is reasonable.

### **My final decision**

My final decision is that I uphold the complaint. JaJa Finance Ltd must pay compensation of £100 to Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 June 2024.

Emma Davy  
**Ombudsman**