

Credit card application

Rejection of credit card application

As time progresses, more and more people are joining the revolution called 'Credit card'. Yes, it's really a revolution. Now you don't need to worry about how much cash you have in your pocket when you go shopping, just carrying this small piece of plastic (credit card) is enough to assure you of a good shopping treat. You can use your credit card to order things from the comfort of your home (on the internet). So the number of credit card applications seems to be on the rise. However, not every credit card application turns into a physical credit card. Some credit card applications get rejected too.

Let's check why a credit card supplier would reject a credit card application when he has spent so much time and energy (and money) on wooing new customers.

One obvious reason for rejection of credit card application is human error i.e. the error committed by you in filling up the credit card application. These can be small mistakes like a wrong telephone number or wrong name or the postal code might be wrong. It's normal to make mistakes, after all we are human being and no human being can be termed as perfect. Another strong reason for rejection of a credit card application could be missing mandatory information i.e. when you forgot to fill-in some mandatory information in the credit card application form. Sometimes, the credit card application could be rejected because the credit card application form has been filled-in in a handwriting that is illegible to the people processing your credit card application. At other times, the sales representative (of the credit card supplier) could have made a mistake in either depositing the form correctly or in guiding you in the filling of the credit card application form (newly hired sales representatives can make such mistakes).

However, these human errors are just minor errors that can be corrected later on and hence the only impact would be in terms of the delay in receiving your credit card. The main and the most important cause for rejection of credit card applications is bad credit ratings i.e. a negative credit history. If you have been using other credit cards or if you have taken bank loans/mortgages in the past, you would have already build your credit rating. If you have been making your bill/instalment payments in time (and in the correct amount), you would have already acquired a good credit rating. However, if you have been irregular or if you have been defaulting on your payment dues, you would have developed a bad credit rating. This credit rating is calculated by credit bureaus who receive feeds from various credit suppliers. All credit card applications are checked for the credit rating of the requestor and if it comes up as negative, the application is rejected outrightly.

So, these are the 2 most important reasons for rejection of credit card

application and you must pay heed to them (especially the credit rating).