

Product sale

Declined applications

Customer outcome: business customers whose applications are declined are provided with the right of appeal and are aware of the alternative sources of finance available.

Firms will achieve this: with systems and controls that promote the right behaviours to ensure that their employees, or their agents, are able to treat declined business customers fairly and appropriately

1. If an application for a product is declined, the firm should ensure that it understands the reason(s) behind it in order to be able to convey, where appropriate, this information to the customer. As a minimum, the customer should be provided with the primary reason in writing as to why they have been declined.
2. If the application was declined due to information obtained from a Credit Reference Agency search, firms should either:
 - a. apply the requirements of s157 of the Consumer Credit Act for relevant customers; or
 - b. provide the customer with the names of the Credit Reference Agencies used by the firm.
3. Firms should inform the customer of their right of appeal and have fair and effective processes in place to review a decision to decline an application. These should, as a minimum, reflect the Lending Appeals process.
4. Firms may, where appropriate, signpost a declined customer to alternative sources of finance or third party. The customer should be made aware that the signposting is not an indication that any subsequent application would be successful.
5. Firms who are designated banks under the Small and Medium Sized Business (Finance Platforms) Regulations 2015 should offer a customer declined for finance the opportunity for their details to be referred to government designated finance platforms.