

# Case analysis

Business



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Case Analysis Case Analysis Case Overview Case facts revealed that a bank apparently advertised home loans at low interest rates for its account holders for three months. Toward the end of the second month, the bank withdraws the offer. Sam opens an account with the bank because of the offer. He is, however, a little late applying for the loan and the offer is withdrawn before his application is processed. Sam sues the bank. The analysis hereby requires assessing the bank's obligation and Sam's claim.

### Analysis

The case is hereby analyzed initially from the point of view of Sam. If Sam opened the account with the bank for the sole purpose of availing of the home loan, he should have been made aware that applying for a loan does not necessarily indicate that he could immediately be approved just because he has an account with the bank. As stipulated, the home loans at low interest rates were offered for account holders; meaning, those who have had established a historical experience as an account holder for a considerable amount of time could avail of the home loan (but does not guarantee approval). As he was an account holder and assuming he met all the requirements needed to avail of the home loan within the two-month period, his application could still have been processed, as promised and he could follow up with the loan officer the decision on his home loan application. Still, it does not guarantee that his application would be approved.

In this regard, Sam could not sue the bank simply on the premise that the bank withdrew the offer toward the end of the second month, since there could also be valid reasons for this. Taking it from the perspective of the bank, their legal department is sure to have covered all the rules and laws

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pertinent to making the promotional offer and must have stipulated that they have to option to withdraw the offer for reasons beyond their control (like a bad turn of the economy; stipulations from the government, like what happened with sub-prime mortgage loans; and no account holder qualified to avail of the home loans).