Dear [Freelancer's Name],

Thank you for your proposal for the [Project Name] project. We greatly appreciate the time and effort you invested in crafting your application.

After careful consideration, we regret to inform you that we have decided to move forward with another candidate whose skills and experience more closely align with our project needs at this time. This was not an easy decision as we had several strong applicants, including yourself.

We genuinely appreciate your interest in working with us and encourage you to apply for future opportunities that may arise. We commend your dedication and expertise, and we hope to have the chance to collaborate with you down the line.

Thank you once again for your understanding and for your interest in working with our team.

Warm regards, [Your Name] [Your Position] [Your Company]