

The complaint

Mr H complains about how he was treated by EE Limited, following an application for a loan to buy a mobile telephone device.

What happened

In April 2024, Mr H took out a new deal with EE to provide broadband to his home. A few weeks later, Mr H says he saw another deal with EE, this time for a brand new mobile telephone device. To pay for the device, Mr H applied for an interest free loan with EE.

Mr H says he was asked various questions about his financial circumstances during the application. EE also carried out further checks about Mr H's personal details as well as checks with credit reference agencies. However, the application wasn't approved by EE. Additionally, Mr H says a separate application for a Subscriber Identity Module (SIM) card deal and an application in his wife's name for a loan were also declined.

Once aware of the outcome of the applications, Mr H complained to EE. He said his credit score was excellent and his household income should have been sufficient to satisfy the repayments required for the loan. So, Mr H asked EE for the reasons why the application for borrowing was unsuccessful. He also asked about a payment taken from his bank account by EE.

In their final response to Mr H's complaint, EE said they couldn't give a detailed explanation about why the application was declined. They said the specific reasons are confidential. But, EE told Mr H about the types of information they consider in an application and where he wasn't eligible for the loan, based on their lending criteria. Mr H didn't accept EE's response and brought his complaint to our service.

One of our investigators looked into Mr H's case and found that EE had treated Mr H fairly. She said that EE didn't have to give Mr H detailed reasons about why they declined his loan application.

The investigator didn't think EE had made an error in the way they reached their assessment, so she concluded that EE didn't have to take any further steps to put things right. The investigator also said EE had refunded the payment Mr H had queried, back to his bank account.

Mr H didn't agree. He reiterated the positive information contained about him, with multiple credit reference agencies. And where he should have the right to see any negative information recorded by EE.

The investigator didn't change her conclusions and now Mr H's case has been passed to me to make a final decision.

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.

I want to acknowledge where I've summarised the events of the complaint. I don't intend any discourtesy by this and it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality.

But I want to assure Mr H and EE that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

While I don't have as much information as I'd like about the lending product Mr H applied for, I can see his application was for a regulated credit agreement. And I find we have the power to investigate EE's decision to record search information about the credit agreement on Mr H's record with credit reference agencies.

During our investigation, both Mr H and EE have agreed that the payment taken from his account, at the time the application for the loan was made, has since been refunded. So, I think this part of Mr H's complaint has been resolved.

Mr H has explained that he's found the way he has been treated by EE frustrating and confusing. I empathise with Mr H, where he says his credit score with major credit reference agencies was, and still is excellent. Furthermore, I can see from Mr H's record keeping and his strength of feeling, how important his concerns about EE are to him.

I also acknowledge where Mr H took out his broadband deal with EE shortly before his application for the device. However, I recognise that the details sitting behind the approval of Mr H's broadband deal, are very different to that of a loan. I say this because there are different requirements on EE when providing a regulated lending product, than that of a telecommunications contract.

EE has a responsibility to give consumers the information they need, at the right time, and presented in a way they can understand, so that they can make informed decisions. Additionally EE should, where possible, inform a customer of the main reason for declining an application for credit.

It's not for our service to tell a business they should have approved borrowing for a customer. After all, it's for a business to decide those to whom they can lend money. But, we can look into if a lender has made an error or a mistake in the background, which may mean they've treated someone unfairly.

Throughout his complaint, EE have suggested to Mr H that amongst other things, they may use information from public records when looking to assess a lending application. Additionally, EE may look at an applicant's linked address, their current financial circumstances and their credit file to help with their assessment.

Mr H has explained that EE also asked him several questions during their assessment, related to a bank account in his name. He says he uses three or four bank accounts for different things and has held them with the same bank, for a large period of his life. And because of his limited day to day use of the account EE chose to ask questions about, he may have been unsure about the answers.

EE haven't said whether or not Mr H successfully answered the questions they asked. Furthermore, I don't think EE made an error or a mistake, by choosing that particular bank account to ask questions about. But, I think it's reasonable that EE might have had concerns, if incorrect information was given during an application for borrowing.

EE explained to Mr H that their main reason for declining his credit application was that it didn't meet their criteria to lend funds. Overall, I think that was the main reason for the unsuccessful application. Furthermore, I don't think there was a mistake or an error in the background. So, I don't think EE have treated Mr H unfairly.

I don't think EE needed to explain their decision in any more detail. To do so would risk giving consumers, like Mr H, sensitive commercial information about how their systems work. That could lead to their processes being manipulated in the future. So, while I acknowledge Mr H's concerns with what has happened, I don't think EE needs to take further steps to put things right.

My final decision

My final decision is that I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 April 2025.

Sam Wedderburn
Ombudsman