

## **The complaint**

Mr C complains J D Williams & Company Limited (JD Williams) treated him unfairly while processing his application for a personal credit account.

## **What happened**

On 9 November 2024, Mr C applied online for a JD Williams credit account. He first used the “eligibility checker”, which indicated he was likely to be accepted.

He went through with the application and was initially offered a £500 credit limit. He placed an order, but JD Williams cancelled it and removed the credit facility after further checks.

Mr C said the process was unfair because he was allowed to proceed to placing an order before being declined. He says better checks should have been done at the outset so he could decide whether to continue. He wants the hard search removed from his credit file. He also objected to JD Williams blocking his phone number.

In its final response dated 19 November 2024, JD Williams didn’t uphold the complaint. It said the application journey makes clear that further checks will be carried out if a customer proceeds, and that these may be visible to other lenders. It said the £500 limit was provisional, pending further checks, and that under its terms it can restrict or withdraw credit.

JD Williams also said that, in early 2023, it had banned him from making further applications and blocked Mr C’s phone number because of the unreasonable amounts of contact from him. The ban was why his application failed this time. It said Mr C was told all this in a previous final response letter dated 6 March 2023. Mr C said he never received that letter.

Our investigator didn’t uphold Mr C’s complaint. She said JD Williams warned him about the further credit checks and was entitled to carry them out and restrict or withdraw credit under its terms. As Mr C disagreed, the complaint was passed to me for a 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’ve considered all the available evidence and arguments to decide what I feel is fair and reasonable in the circumstances of this complaint. This includes the relevant laws, regulations, guidance and standards, codes of practice and good industry practice. And where it’s unclear what’s happened, my conclusions are based on what I think is most likely to have happened given the information available.

I’ve summarised the complaint in my own words and I’m not responding to every argument. No discourtesy is intended by this. Our rules allow me to do this given the informal nature of our service. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. Rather, I’m satisfied I only need to focus on the key points to reach what I think is the right outcome.

It's important to note I'm only considering the events following the 9 November 2024 application, and whether JD Williams acted fairly following the application process.

I'm aware Mr C is also unhappy about events that happened in early 2023 — specifically, JD Williams' decision to block his number and ban him from making further applications. Mr C said he wasn't informed this had happened until only recently, and he wouldn't have applied if he had been. On that basis, he says the hard credit file search should be removed.

However, as those points relate to events occurring in early 2023 following a previous application, and closely relate to JD Williams' 6 March 2023 final response, they're better dealt with as a separate complaint. I won't be considering them here.

I understand why being declined credit frustrated Mr C, especially after being told he was "likely" to be accepted for credit and after placing an order. He feels JD Williams should have identified any issues earlier and avoided the hard search.

However, I haven't seen anything to show the application was processed unfairly. It isn't disputed Mr C used an eligibility checker. The online journey explains this gives only an indication and that any limit offered at that stage is provisional. In Mr C's case, the indication was a provisional £500 credit limit.

The explanation from the application process mirrors the explanation one of our investigators gave Mr C following his previous 2023 complaint, which had also involved a declined credit application following a positive result from the eligibility checker. So on balance, I'm satisfied Mr C knew the credit was provisional here and therefore subject to further checks.

The journey also warns that, if the customer proceeds, JD Williams will carry out a credit check that's visible to other lenders. On the evidence I've seen, including a screenshot of the process, the messaging about a "hard search" being carried out is clear. Mr C chose to proceed despite the warning, so I find he agreed to that search.

Lenders must assess creditworthiness before granting an applicant credit. A hard search is a common way to gather the information needed to do that. In these circumstances, I don't think it was unfair for JD Williams to run the search. I won't be asking it to remove the search from Mr C's credit file, because it accurately reflects a search was carried out.

After the hard search and internal checks, JD Williams declined the application and removed the provisional limit. Given JD Williams had already banned further applications in early 2023, I think it was reasonable for it to rely on that ban and withdraw the facility. I say that while being mindful of JD Williams' terms and conditions, which allow it to "suspend, restrict, or terminate" a customer's right to credit at any time. I don't consider that term unusual, and I don't think it was unfair for JD Williams to rely on it when removing the credit facility.

Ideally, JD Williams would have identified the ban before performing the hard search, which might have avoided the search entirely. However, JD Williams explained its process is to run full checks before deciding whether to extend credit to an applicant, as part of its obligations as a responsible lender to ensure applications for credit are properly recorded. That means running both a hard search and conducting internal checks to identify any previous application ban before a decision is made. That approach seems sensible and isn't uncommon. I've also not seen anything in the regulatory rules that prohibit this approach.

Mr C might think that's unfair, but it's not for me to tell a lender how to process its credit applications, as I'm not the regulator. My role is to look at whether a lender acted fairly and in line with the regulatory rules and its own processes. I think JD Williams has done that.

I'm aware Mr C managed to place an order before his application was declined. He was also only given a full explanation of what had happened around a week later via JD Williams' final response letter. I accept JD Williams could have declined the application quicker and explained what had happened earlier. But overall I find it acted fairly and within a reasonable time and I've not seen anything that persuades me compensation is warranted.

In summary, I'm persuaded JD Williams processed Mr C's credit application fairly and reasonably, and it was entitled to conduct a hard search and remove his credit facility given his application ban. So I won't be recommending that it take any further action.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 October 2025.

Alex Watts  
**Ombudsman**