

The complaint

Mr S complains about the way J D Williams & Company Limited ('JDW') handled his application for a credit account.

What happened

The background to this complaint is well known by both parties so I'll only summarise them here.

In November 2024, Mr S applied for an online account with JDW, and the account was opened with a temporary credit limit of £850. The next day JDW cancelled the order Mr S had made and closed the account. Mr S complained. JDW responded on 3 January 2025 saying it hadn't acted incorrectly.

Mr S referred matters to our Service, but our investigator didn't recommend upholding the complaint. Mr S responded with a number of points including that: he didn't receive the final response letter; JDW's decisions and actions lack transparency; he was unhappy it carried out a 'hard' credit search impacting on his credit file; and he wasn't given an adequate explanation as to why his application wasn't accepted.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. However, I've given careful consideration to all of the submissions made before arriving at my decision. I'll just note at this stage that whilst Mr S says he didn't receive a final response letter, he has now seen a copy of this and from what I can see, he was still able to refer his complaint to our service.

Mr S has acknowledged when he applied for a credit account, he was told by JDW that he had a 'predicted' credit limit of £850 which does suggest this was only temporary. Additionally, JDW has sent a screenshot of what Mr S would've seen when he applied for the credit. Amongst other things, this said: *"This is a temporary credit facility and may increase or decrease once we have completed processing your registration."* So, I think Mr S was given clear, fair and not misleading information about the status of his application.

I can see that Mr S was told the day after his application about JDW's decision to not offer him credit. And whilst I know he was unhappy that JDW carried out a 'hard (credit) search' which now shows on his credit file, given he was applying for credit I don't think this was an unreasonable or unfair thing for JDW to do. Further, I note Mr S says a 'hard search' should only be carried out when a business intends to provide credit, but a business can only offer these facilities once a search is conducted. So, given Mr S applied for a credit account with JDW, I don't think it acted incorrectly in this regard.

Mr S says that JDW's rejection of his application based on its lending criteria lacked transparency. But as he noted himself, a business has the right to set its own lending criteria. And whilst JDW said it couldn't give an exact reason for this it did point Mr S to his credit file as a reason why his application was declined. I can't reasonably or fairly say JDW has acted incorrectly here.

All in all, whilst I know this will be a disappointing outcome for Mr S, for all these reasons I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

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

Yolande Mcleod
Ombudsman