

The complaint

Mr B complained that EE Limited didn't approve a credit agreement for the purchase of a mobile phone device.

What happened

In January 2025 Mr B visited an EE store to apply for an upgrade. He said he wanted to purchase a mobile phone and was willing to pay a deposit of around £500. Mr B said that an application for credit was declined and he said he was only told it was because he didn't meet the eligibility criteria, and he had "bad credit". Mr B said he was unhappy with the behaviour of the store staff and didn't think they helped him. Mr B complained to EE while he was in store and said he discussed his application and said he was told he wasn't entitled to anything.

EE considered a complaint and said that it didn't consider Mr B eligible for a flex pay agreement. It said it considered multiple factors when considering an application for credit and these had to be met. It didn't uphold Mr B's complaint. It wrote to Mr B a few weeks later and explained that its decision remained the same in regard to the application for a flex pay agreement. However, it acknowledged that Mr B was given incorrect information in store about a credit card, and it applied £50 as an apology to his account.

Mr B referred his complaint to the Financial Ombudsman. In his submission to this Service Mr B explained that he felt humiliated and upset. He said he didn't understand why he didn't meet the eligibility to take out a credit agreement and was frustrated as he said he was a longstanding customer.

Our Investigator considered the complaint and upheld it. She explained there was insufficient evidence for her to assess the customer service Mr B received in store, but she thought the £50 compensation EE offered was fair for this part of the complaint. However, she didn't think EE acted in line with the regulatory requirement under the Consumer Duty, set by the Financial Conduct Authority. She said that she thought EE should have explained broadly the reasons why Mr B didn't meet the eligibility criteria so he could use this information to meet his financial goals. As she didn't think EE did this, she recommended EE pay Mr B £100 compensation.

Mr B accepted the recommendation. EE didn't agree. It said that it found £100 compensation to be excessive.

As the matter remains unresolved it has been 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 want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr B

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.

I've thought about whether EE acted fairly and reasonably in the individual circumstances of this case - taking into account applicable laws, relevant rules and regulations and what good industry practice looks like. Those relevant rules include the Consumer Duty. It's been in force in relation to firms' regulated activities since 31 July 2023, so it's applicable in this case. The Consumer Duty was introduced by the Financial Conduct Authority ("FCA") as a means of setting clearer standards of consumer protection across financial services requiring firms to put their customers' needs first. One of the things it makes clear is that firms should support customers in pursuing their financial objectives.

In order for me to consider a complaint brought to this service it needs to be related to a regulated activity. Mr B has complained about the poor customer service that he experienced in store. I've explained to both parties that it's unclear in which capacity the store staff were acting when Mr B said that he was told that he had "bad credit". I've explained to both parties why I'm not going to comment on this part of the complaint. Mr B told our investigator that he understood my position, so I won't comment on this any further.

I have however considered the actions of EE when Mr B called and wrote to EE to complain about the decision to decline his application for a flex pay agreement. I've thought about if it acted in line with the Consumer Duty.

In the correspondence EE sent in response to Mr B's complaint, it explained that as the flex pay agreement was a regulated financial product it had to meet specific eligibility rules. However, it didn't expand any further. It told this service it did a credit check and asked questions about income and future financial status.

The FCA guidance indicates firms have discretion to use their judgement when deciding what to share. Exercising such discretion should take into account Mr B's interests as well as any business sensitivities, so I've thought about whether the information shared with Mr B was fair. In this situation I'd expect EE to think about what information Mr B might need to know in order to pursue his financial objectives of obtaining credit to purchase a mobile phone. So, if the reason for declining an application was due to information on Mr B's credit file, sharing that reasoning would be an appropriate way to respond. However, EE only referred to Mr B not meeting the eligibility criteria without indicating what this might entail. I'm not saying EE needed to disclose its lending criteria, but I think pointing Mr B broadly to the types of information it considered would have given him a better understanding of what he needed to do to meet his financial objectives.

I'm persuaded that as EE didn't do this, it acted unfairly and caused Mr B frustration and distress as he wasn't able to understand what he could do to meet his financial objectives. I've thought carefully about what happened, and the impact Mr B has said the situation had on him. Overall, it's clear from what Mr B has told us that he was caused a lot of upset by the issues with EE not providing details of what factors impacted Mr B's financial objective of obtaining a mobile phone through credit. Because of this I think it's fair that EE pay Mr B £100 compensation.

My final decision

For the reasons explained above, I uphold this complaint, and I require EE Limited to pay Mr B £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 December 2025.

Amina Rashid
Ombudsman