

The complaint

Mr W complains about a credit account he applied for with JD Williams & Company Limited trading as Ambrose Wilson ('AW').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr W says he thought AW had given him credit when he opened an account with it on the 19 October 2024. He says he put through an order on 20 October 2024 but was upset to find it was cancelled on the 22 October 2024 when AW sent him an email to notify him. This was particularly upsetting as it was a gift for his son's birthday – and it contributed to him getting his gift late.

AW's notification of the cancelled order to Mr W says:

'If you applied for a credit account, we were unable to accept your application and no account has been opened'

Mr W didn't agree with that, he says AW did open an account for him as he got a welcome email and his AW dashboard showed a credit limit of £500. He says the account also appeared on his credit file as open with a credit limit of the same.

AW later clarified that although it carried out a soft check when Mr W applied for credit it didn't carry out a full credit search until he placed his first order. It was then it declined his application based on its usual creditworthiness checks. It apologised for the upset caused and offered £25 compensation which Mr W refused.

Mr W says AW led him to believe he had opened an account, and its actions contradict what it has explained. It says AW has continued to submit false information about the account being open to credit reference agencies and not resolved it. And all this has caused him a great deal of stress.

The complaint was referred to this service. Our investigator felt AW had acted fairly. Mr W did not so the matter was escalated to me for a decision.

I issued a provisional finding which said:

What I've provisionally 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I note our investigator merged this complaint with another one which Mr W has about a

different account under a separate trading name of JD Williams which was responded to in a separate Final Response Letter. Although the issues are similar in that case, there appear to be some things that differ. Furthermore, the information I have received on this case appears specific to the AW account. I will only be commenting on the AW account here and the other case will be re-opened and investigated separately.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. This includes the FCA Consumer Credit Sourcebook (CONC). And the FCA's Consumer Duty, which sets high standards of consumer protection across financial services and (amongst other things) requires firms to give customers the information they need, at the right time, and in a way they can understand – so that they can make informed financial decisions

What occurred here?

Mr W questions what AW told him when it responded to his concerns as he said on the one hand it says it didn't approve a credit account for him – but its actions indicate it did.

From what AW has confirmed (and despite some confusing actions which would indicate otherwise – I will come on to these) I am satisfied it likely never approved Mr W for credit based on a hard credit search it carried out after he had ordered the goods on 20th October 2024.

AW explained it declined credit because Mr W had two active accounts with its other brands. So at the time it didn't consider it was able to extend more credit. It cited its assessment of the application on a range of data including creditworthiness. AW can commercially decide whether it wishes to advance credit, and the reasons it has given do not appear unreasonable on the face of it. But I don't think Mr W's complaint to AW was really about this point so I have not focused on it here.

For me Mr W's complaint is focused on the allegation that AW was unclear with him about whether it had or had not approved him for credit in the first place. And its actions led him to believe it had done so – causing him unnecessary confusion and frustration.

Was AW clear with Mr W?

AW has shown me the account opening journey to assist with my understanding of what went on here. But I have also considered the other information I have, including what Mr W has submitted.

It appears Mr W could open an AW shopping account and use other methods to pay rather than a credit account. Only once he had opened a shopping account (and received a welcome email) could he apply for the credit element called 'Ambrose Pay'. So I don't think Mr W simply opening an account and getting a welcome email is reasonably indicative of approval for credit here.

However, AW has shown me Mr W's journey for applying for its 'Ambrose Pay' credit product and I don't think it explicitly says that a hard search and final credit approval will be carried out after an order takes place. In fact, I note on the screen 'Apply for AW Pay' it says AW will carry out credit checks and how this will be used to assess creditworthiness. It explicitly says that once Mr W clicks 'Apply' a credit check will be run visible to other lenders. To me this indicates that once Mr W clicks 'Apply' a hard credit check will take place and based on this AW will decide whether to grant him credit. This process takes place prior to any order so indicates the checks are prior to Mr W ordering goods.

To compound this impression Mr W points out (and I have no reason to disbelieve him) that after this stage his AW dashboard showed he had a £500 credit limit to use to make purchases. Which he then used to place an order. I can't see evidence that prior to placing the order AW sufficiently informed him that its creditworthiness decision would be taken after this stage.

So I can fairly see why Mr W was then confused and frustrated when he was later told by AW that no credit account had been opened and he had failed its hard credit check.

I note AW has pointed to its credit agreement terms and conditions entitled 'Suspending your credit'. Which it says makes it clear 'there are situations where the customer can have the credit removed without prior notice'. And it says Mr W would have seen this. However, this section appears to be relevant to suspension of credit that has already been granted (for reasons such as suspected fraud, a significant increase in risk, persistent account debt). It does not appear to apply here – where credit was not granted in the first place – nor does it speak to Mr W's confusion on that point as part of the credit account opening process.

I accept AW is entitled to refuse Mr W credit outright – and that its application process explains credit is subject to its creditworthiness checks. It is also entitled to suspend credit it has granted in accordance with its terms. That is not in dispute here. However, in not being as clear as it could have been about the process that was going to take place after Mr W placed his order, it caused him avoidable confusion and meant he was less able to make an informed choice about the purchase he was planning. And while I appreciate AW sent Mr W email acknowledgement which said the order was subject to credit and account status – this came after the order was placed.

Furthermore, to add to the uncertainty here, despite telling Mr W it had not opened a credit account for him, AW reported the account to the credit reference agencies as open and with a credit limit of £500. I recognise the credit file impact was likely low – and there is no wider evidence of financial loss flowing from it. But it was clearly frustrating and annoying for Mr W that it was on there in the first place, noting AW told him it refused him credit and not opened a credit account.

I also note AW recorded the hard search on Mr W's credit file as taking place on the day he made his application, even though it had told him it was carried out after the order was placed. This led to further doubt and confusion as to what had occurred here.

Since this service has been involved AW has removed the account from Mr W's credit file (after it had been on there for around 6 months). And it has now clarified that the hard search was displaying on the Saturday rather than the Sunday due to an apparent system issue on weekends. However, despite these matters being cleared up – they had caused ongoing confusion, frustration and distress for Mr W.

While I appreciate AW apologised to Mr W in its initial response to his complaint for the frustration caused and offered him £25, I don't think the level of compensation is appropriate to put things right here. I say this also noting the mistakes it has made with Mr W's credit file (and bringing in our website guidance on awards for distress and inconvenience where the impact of a mistake has lasted for an extended period). Here I think a global award of £125 is fairer. For clarity, this is not in addition to the £25 already offered by AW. I understand Mr W has not cashed any cheque or received the £25 by other means – but if he does then AW can deduct that from the total amount payable here.

For completeness – I note Mr W has pointed out that when he asked AW to raise a complaint it didn't log this straight away. This was a relatively minor issue (and AW

apologised for it) so it has not had notable impact on the compensation figure proposed here, but I have taken it into consideration too.

My provisional decision

I uphold this complaint and direct J D Williams & Company Limited trading as Ambrose Wilson to pay Mr W £125 compensation to resolve this matter.

Both parties accepted my findings.

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.

As both parties have accepted my provisional findings I see no reason to change them, so my final decision is the same for the reasons set out above.

Putting things right

See below.

My final decision

I uphold this complaint and direct J D Williams & Company Limited trading as Ambrose Wilson to pay Mr W £125 compensation to resolve this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 December 2025.

Mark Lancod
Ombudsman