

<b>Final decision</b>	
<b>Complaint by:</b>	Mr J Whittle
<b>Referred to as:</b>	Mr W
<b>Complaint about:</b>	EE Limited
<b>Complaint reference:</b>	PNX-5712039-X0S5
<b>Date of decision:</b>	27 February 2026

### **The complaint**

Mr W complains that EE Limited did not honour an agreement he'd signed enabling him to purchase a phone on credit.

### **What happened**

Mr W says that, after he signed a financial agreement to purchase a phone from EE, he was told he wasn't eligible for the credit and the contract was withdrawn. He says that EE has offered him £50 for the inconvenience, but he says that isn't enough and he wants EE to honour the contract.

EE says that, when Mr W first got in touch, on 23 July 2025, he was approved with a budget of £55.20 per month and was advised to go to an EE store to explore his options. It acknowledges that Mr W was then told that he needed to undergo a further credit check (which he declined) and he could only purchase a refurbished phone online. EE says that Mr W placed an online order later the same day for a refurbished phone on a Device Finance Agreement (Flex Pay). However, EE says Mr W failed to meet the criteria for the Flex Pay agreement, and was only eligible for a subsidiary agreement, so the contract couldn't be finalised. EE adds that it sent Mr W a cheque for £50 due to the service he received from advisers and the store and that Mr W has already accepted this in resolution of his complaint.

Mr W says he accepted EE's £50 goodwill payment only on the express condition that this did not conclude his complaint.

Our investigator recommended the complaint should be upheld. She found that Mr W had been given incorrect advice about making a purchase in-store or online when, in fact, it was only possible to apply for a subsidiary agreement on the phone. Our investigator was satisfied that EE did nothing wrong by cancelling the credit agreement, but considered £150 to be fairer compensation for his inconvenience. She also said that EE should remove any record of the application from Mr W's credit file.

EE accepted the investigator's findings.

Mr W responded to say, in summary, that the case needs to be assessed under contract law within the Consumer Credit Act 1974. He said:

- Our investigator's conclusion that his application was "*always going to be declined*" directly contradicts EE's email that says his application was "*successfully accepted*";
- By paying the £30 advance payment, the contract was formed;
- The email he received confirmed that EE was processing the order – there was no conditional language;
- EE admitted that the order was placed, but has provided no valid explanation for its cancellation beyond the "*confidentiality of lending criteria*";
- The case is one of breach of contract and not merely a declined application case;
- £150 is wholly inadequate compensation for breach of a regulated credit agreement involving a device worth over £1,000;
- His Subject Access Request (SAR) is incomplete, contains contradictory information and is evidence of a more complex decision process.

### **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.

First, I should clarify that the Financial Ombudsman Service is an alternative to the legal system and cannot make findings about, for example, breaches of contracts – that is for a court of law to decide. Instead, this service considers the merits of individual complaints and makes findings on whether a business has acted fairly and reasonably in its response.

When Mr W called EE on 23 July 2025, he was told he'd passed an initial credit assessment and was eligible for a monthly spend of £55.20. The adviser told him he was not eligible for Flex Pay but could proceed to purchase a new or refurbished phone within that spend limit. Following his visit to the store, Mr W purchased a refurbished phone online, by paying a £30 deposit and signing a regulated fixed sum loan agreement for the balance. He then received an order confirmation by email, but was later informed that the order had been cancelled due to being ineligible for the finance agreement.

It is not in dispute that Mr W was given conflicting information about how and where to purchase the refurbished phone he wanted. I am also satisfied that when Mr W placed the order online and signed the credit agreement, it could have been made clearer to him that EE might carry out further checks. I recognise that Mr W also found EE's processes, especially around his eligibility for different financial agreements, to be confusing. This service cannot instruct a business to change its processes – that is the role of the Financial Conduct Authority – but I do accept that EE's online application system progressed Mr W's purchase with limited indication that the credit may still be declined.

With regard to Mr W's specific concerns surrounding EE's email stating his application was "*successfully accepted*", EE has now confirmed that this referred to his initial credit application. I agree with Mr W here, that this was not clear, but I can't conclude that it means his online order should now be processed.

EE has explained that Mr W did not meet the lending criteria for the Flex Pay finance agreement that he signed for online. I understand Mr W's frustration that EE has not provided the details he requested about the reasons for that, but I don't find that to be unreasonable given the commercial sensitivity surrounding such decisions. EE, as a responsible lender, has the right to decide how much credit it is prepared to offer a consumer and that is not something I can override.

I also acknowledge that Mr W considers the contract he signed was legally binding on both parties – he'd paid the requisite £30 and the email he received contained no conditional language. As stated above, whether this constitutes a breach of contract is not something that I can decide, but I have considered how the subsequent cancellation affected Mr W, both emotionally and financially.

Finally, I understand Mr W will be contacting the Information Commissioner's Office as he believes his SAR was incomplete. If this results in new information that Mr W considers to be relevant to his case, then he can make a further complaint to this service once EE has had a chance to respond.

### **Putting things right**

In summary, I am satisfied that EE has refunded Mr W the £30 that he paid and I can't see that he has suffered any direct financial consequences. However, I accept that Mr W has spent a great deal of time addressing his complaint and the process has been stressful for him. That said, based on everything I have seen, I consider that £150 is reasonable compensation for this, and it is in line with our usual awards in this area. EE has now agreed to this, alongside removing the associated information from Mr W's credit file. If Mr W does not wish to accept my decision, then he is still entitled to take his complaint to a court of law.

### **My final decision**

My decision is that I uphold this complaint in part. EE Limited should pay Mr W an additional £100, and remove all relevant searches from his credit file, as it has agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 March 2026.



Amanda Williams  
**Ombudsman**