

The complaint

Miss T complains that J D Williams & Company Limited, trading as Jacamo charged excessive interest on her account and failed to provide information she requested concerning the account and then defaulted it.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

Miss T was surprised that Jacamo charged her interest of £30.79 after she had paid £600 towards her balance of £672.39. I can understand her surprise, but as our investigator has confirmed the charge was in line with the terms and conditions of the account which Miss T had taken out some 10 years earlier. For the avoidance of doubt, I am also satisfied that the charge is correct.

However, Miss T was not happy with the response to her complaint and stopped payments while awaiting the information she requested. She asked for a copy of the terms and conditions and a breakdown of the interest charged. Jacamo failed to send this and Miss T brought a complaint to this service.

Our investigator thought that the lack of a reply from Jacamo had contributed to the problem and to a default being issued and the account being transferred to a debt collection agency. He noted that Miss T had written to Jacamo and said she was willing to pay what she owed to clear her account, but she wanted to ensure she had been charged the right amount. I think that was a reasonable request. I appreciate Jacamo did respond to her, but not in a way that she was persuaded the figures were right. Given the level of interest for one month I can fully understand her concern that there had been an error.

I have noted that Jacamo did send her notification of the default and it has said there was no guarantee Miss T would have paid off the balance I am inclined to believe that she would have done. It had become clear to her that the account was an expensive way of financing purchases and it made sense that it be closed.

So, while I acknowledge that Miss T may have been more proactive I believe the key cause of the problem was the lack of a response from the business and so I consider I should uphold this complaint.

Putting things right

The business should provide redress as set out below.

My final decision

My final decision is that I uphold this complaint and I direct J D Williams & Company Limited to:

- Provide Miss T with the breakdown of the interest that she requested.
- Remove all added interest from the time Miss T first raised this complaint.
- Remove the default from Miss T's account, and any other markers it applied in relation to the disputed sum.
- Allow Miss T to pay her balance and then close her account as she had requested. If she chooses to keep it open then the business will be entitled to charge interest going forward from one month after the date she accepts this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 31 March 2022.

Ivor Graham
Ombudsman