

The complaint

Mr Q says that J D Williams & Company Limited ('JDW') has not resolved his complaint about fraud on his account to his satisfaction.

What's happened?

On 17 October 2020, a parcel from JDW which Mr Q hadn't ordered was delivered to his address. He signed into his JDW account, which he hadn't used for some time, and saw that someone had placed orders without his knowledge or consent. He reported the matter to JDW on the same day. JDW agreed to let its fraud department know what had happened, close his account and arrange for the parcel he'd received to be collected.

On 20 October 2020, the parcel was collected but Mr Q experienced some issues with the courier on the day.

On 24 October 2020, JDW apologised to Mr Q for the service he'd received from its courier and said that it had passed his feedback on. JDW also confirmed that it was investigating the fraudulent activity on his account.

On 27 October 2020, Mr Q received an invoice requesting payment on his JDW account. JDW said it was sorry that he'd received this correspondence, which had been sent systematically and could be ignored, on 30 October 2020.

JDW issued its final response letter on 9 November 2020. It said that it was unable to prevent the fraudulent activity on Mr Q's account because the transactions appeared to be authentic at the time. But it was in the process of reducing the account balance to zero (completed on 16 November 2020) and would be closing the account, as per Mr Q's request. JDW also confirmed that it had requested the removal of all linked adverse data recorded on Mr Q's credit reference file, but it could take up to 28 days for the credit reference agencies to update their records.

Mr Q has referred a complaint to this Service because he says JDW took too long to act, and it hasn't resolved his complaint to his satisfaction – he says his overall experience was extremely frustrating. In summary, he's said that:

- His account wasn't closed to prevent further misuse in a timely manner.
- He received an invoice requesting payment on his account on 27 October 2020.
- His account showed arrears because of the fraud, and a default was recorded against it on his credit reference file.
- Facility takeover fraud was reported to CIFAS (the national fraud database) on 9 November 2020.
- His credit score dropped because of this matter. In 2021, he was declined for credit and lost out on preferential interest rates (for many reasons, including information on his credit reference file) and he experienced problems in opening a savings account.

What did our investigator say?

Our investigator didn't recommend that JDW do anything further to resolve this complaint. Mr Q was unhappy with this outcome, so his complaint has now been passed to me to decide.

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.

My role is to decide whether a business error has occurred and, if it has, what the business should do to put things right. Unfortunately, Mr Q has been the victim of fraud. But from what I've seen, I don't think this was a result of a business error, or that there was anything JDW ought to have done differently to prevent the fraud. So, my findings will focus on what JDW did after the fraud occurred and Mr Q reported it.

In cases such as this, businesses have eight weeks to resolve complaints from their customers. Mr Q reported the fraud to JDW on 17 October 2020 and JDW issued its final response to his complaint on 9 November 2020 – within eight weeks. It said that it would be reducing the account balance to zero (completed on 16 November 2020) and closing the account, as per Mr Q's request. And that it had requested the removal of all linked adverse data recorded on Mr Q's credit reference file. So JDW investigated Mr Q's complaint, upheld it and put him back into the position that he would have been in but for the fraud within eight weeks.

Overall, I'm satisfied that JDW investigated Mr Q's complaint and took all the action I would reasonably expect it to take, within an appropriate timeframe. I'm pleased to see that JDW also responded appropriately and quickly to the further issues Mr Q reported during its investigation – such as the issues he experienced with its courier and the receipt of an invoice which had been systematically generated. I'm not persuaded that a business error occurred in this instance, or that it would be fair or reasonable to require JDW to take any further steps to resolve this complaint.

I've seen that JDW reported facility takeover fraud to CIFAS on 9 November 2020, but I don't think this was an unreasonable course of action. This type of marker is placed to protect victims of fraud from future financial harm and should not negatively affect a person's credit reference file. The marker may well have been the reason that additional security checks were necessary when Mr Q tried to open a savings account, and I understand that this may have been frustrating for him. But as the marker was fairly applied, I don't think this should change the outcome of the complaint.

I acknowledge Mr Q's comments about the issues he experienced in attempting to obtain credit in 2021, but he hasn't been able to provide any evidence to indicate this was a direct and sole result of this matter (he's said he was told it was for many reasons, including information on his credit file), and I think that's unlikely. As I've set out above, JDW started the process of removing any adverse data recorded against Mr Q's JDW account on his credit reference file in early November 2020, and the evidence shows that the account balance was reduced to zero on 16 November 2020. So, I think it's unlikely it was still showing by 2021. And the CIFAS marker (which I've concluded was reasonably applied) should not have had a negative impact on applications for credit.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 20 June 2020.

Kyley Hanson
Ombudsman