

## **The complaint**

Mr B says J D Williams & Company Limited ("J D Williams") irresponsibly lent to him. He has requested that the interest and late payment charges he paid on the accounts be refunded.

## **What happened**

This complaint is about the catalogue shopping accounts provided by J D Williams to Mr B.

Account A was opened in January 2013 with Mr B being given an initial credit limit of £125. This limit was increased 4 times until it reached £900 in June 2013.

Account B was opened in December 2017 with Mr B being given an initial credit limit of £125. This limit was not increased.

Our adjudicator partially upheld Mr B's complaint. He thought that Account A and its increases were not unreasonable lending decisions. He also thought that J D Williams ought to have realised that Mr B wasn't in a position to sustainably repay any further credit on Account B by the time it offered Mr B that credit.

Both parties agreed with the adjudicator's assessment of the merits of this case and J D Williams offered to arrange the redress as specified. So, in the absence of any argument about the merits of the complaint, I propose to say nothing more about them in this decision.

Mr B was happy with the suggested redress but is concerned that J D Williams hasn't proceeded as agreed.

The complaint has therefore been passed to me.

## **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.

We've set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice - on our website.

In the assessment the adjudicator explained how J D Williams should put things right. He said,

***"How to put things right***

- *As I uphold this complaint in part, I think to put things right, it's fair and reasonable for JD Williams to refund any interest and charges incurred by Mr B as a result of the credit unfairly granted to him.*
- *I don't think account J4613156 should've been opened in December 2017. Therefore, JD Williams should remove any interest and charges incurred on this account.*
- *JD Williams should work out how much Mr B would have owed after the above adjustments. Any repayment Mr B made since December 2017 should be used to reduce the adjusted balance.*
- *If this clears the adjusted balance any funds remaining should be refunded to Mr B along with 8% simple interest\* - calculated from the date of overpayment to the date of settlement.*
- *If after all adjustments have been made Mr B no longer owes any money then all adverse information regarding this account should be removed from the credit file from December 2017.*
- *Or, if an outstanding balance remains, JD Williams should look to arrange an affordable payment plan with Mr B for the outstanding amount. Once Mr B has cleared the balance, any adverse information should be removed from the credit file.*

*\*HM Revenue & Customs requires JD Williams to deduct tax from any award of interest. It must give Mr B a certificate showing how much tax has been taken off if he asks for one. If it intends to apply the refund to reduce an outstanding balance, it must do so after deducting the tax."*

I think that this is the correct redress for this case.

So, I think that J D Williams should put things right as detailed above.

### **Putting things right**

J D Williams & Company Limited should put things right in the way set out above. J D Williams has told us it has already done so. But, for transparency, it ought to provide Mr B with its workings – how it calculated the amount it rebated against the existing debt.

And Mr B needs to be aware that the debt has been sold to a third party. So, it is not for J D Williams to arrange an affordable payment plan for the remaining amount. Mr B can contact the third party that holds the debt if he wishes to do so. If Mr B feels the debt purchaser aren't treating him fairly, he can raise a separate complaint about their actions with them, if he wishes to.

### **My final decision**

For the reasons set out, I'm partially upholding Mr B's complaint. J D Williams & Company Limited should put things right in the way set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 June 2022.

Douglas Sayers  
**Ombudsman**