

The complaint

Miss J complains about the way J D Williams & Company Limited (“JDW”) handled her catalogue shopping account.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them here. Instead, I’ll focus on 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.

I have reviewed the terms of Miss J’s credit agreement JDW, and I’m satisfied it does allow JDW to sell the account. This isn’t unusual for an account of this nature. And I note Miss J doesn’t dispute the agreement says what it does. The crux of her complaint is more around the fairness of JDW deciding to sell her account.

I’ve reviewed Miss J’s account history. Miss J was in arrears from late December 2019 onwards. From April 2020 JDW provided a Covid-related payment deferral, which was based on guidance issued by the regulator, the Financial Conduct Authority (“FCA”). This allowed Miss J to make no payments for up to six months. When this six-month period expired, JDW moved the accumulated arrears into the balance to give Miss J a fresh start. Miss J was unable to restart her contractual payments, so JDW agreed an interest free payment arrangement. In February 2021 Miss J contacted JDW to say she hadn’t been able to keep to the payment arrangement, so JDW agreed to give Miss J 28 days breathing space so she could seek advice. JDW had a duty to treat Miss J with forbearance and due consideration during her time of financial difficulty. I’m satisfied from what I’ve set out above it did so.

In March 2021 JDW sold the account to a third-party. I can understand why this was frustrating for Miss J. Her intention was to get the account back on track and start using it again to purchase goods. But I’m not persuaded JDW acted unfairly here. JDW was entitled to sell the account, and I understand the necessary documents were sent. The account hadn’t been managed as it should have been for an extended period, and there was no certainty this would change, so JDW could have looked to default the account. JDW didn’t default the account. Instead, it passed the account to a third party as an active account, and as I understand it, interest won’t be charged, which will benefit Miss J.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss J to accept or reject my decision before 16 November 2022.

James Langford
Ombudsman