

The complaint

Mrs T complains J D Williams & Company Limited ('JDW') irresponsibly approved her for multiple accounts.

What happened

Mrs T has taken out multiple accounts with JDW. Mrs T says these accounts were all irresponsibly approved; and had JDW completed proper checks it would've realised she could not afford them. Mrs T says she has lost out financially as a result of these accounts as she has had to pay out additional interest and charges.

Mrs T has multiple accounts with JDW spanning a number of years. She has raised complaints about each of these accounts. The majority of the accounts she has with JDW have been considered under a separate complaint reference with our service. This decision concerns two further accounts which weren't considered under the original complaint to our service. JDW considered Mrs T's complaint in relation to these accounts and made partial offers on both accounts

The two accounts and the existing offers are set out below:

<u>Account ending</u>	<u>Date Opened</u>	<u>Offer made by JDW</u>
A-168	June 2009	Upheld from limit increase in September 2009
I-557	June 2009	Upheld from limit increase in September 2009

JDW has confirmed it has applied the redress on these accounts already.

Mrs T disagrees with the offers which have been made. She says neither account should have been approved in the first instance.

Our investigator considered Mrs T's complaint but felt the existing offers made by JDW were fair and reasonable in this instance. In coming to this outcome our investigator explained that whilst there was limited information due to the passage of time; that the initial credit limits had been low and as such she was satisfied that JDW had likely completed proportionate checks. And that considering the relatively low level of associated payments it was more likely than not that the initial application would've been affordable to Mrs T. As such the point at which JDW had made its offer was fair. This was because Mrs T's credit limit had been increased beyond a point where it would've likely been affordable to her.

Mrs T remained unhappy and asked for a review of all of her accounts.

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.

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We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've used this approach to help me decide this complaint.

Mrs T and JDW are aware of our service's approach to irresponsible and unaffordable lending complaints; so, for the sake of conciseness I won't set out the detail here.

Having reviewed everything, I'm satisfied that JDW does not need to do anything further in relation to this complaint. I appreciate this will come as a disappointment to Mrs T; however, I can assure her I've considered all of the information that has been provided and I've reviewed all of the accounts separately. I'll deal with each in turn.

Account ending A-168

This account was taken out in June 2009. The initial credit limit was £125. There were two further credit limit increases before JDW's offer of redress from September 2009. These limit increases were to £225 and £325. JDW has offered redress from the third credit limit increase to £500.

Mrs T says she should not have been approved this account from the outset. She says she could not afford the credit and JDW should've done more to check her affordability.

I've carefully considered Mrs T's argument but I'm not persuaded by it in this instance. JDW says that it searched Mrs T's credit file prior to each lending decision; as well as taking into consideration her payment history. Due to the passage of time that has passed JDW has been unable to provide our service with the details of the results it completed for each check. However, considering the relatively low limit of the credit being advanced in the initial application, I'm satisfied that these checks would've been proportionate.

I've not been presented with any information from either party (understandably so considering the time frame involved) that demonstrates Mrs T's finances were in such a place that any form of credit would've been unaffordable. Instead, considering the low level of the credit being provided (and the associated payments); it is more likely she could've afforded it.

The subsequent credit limit increases happened in July and August 2009. Again, these limit increases were for a relatively low amount - £225 and £325 respectively. JDW did need to take into consideration all of Mrs T's other existing credit at this point (such as account I-557) when completing its checks. However even taking these other limits into account I'm still satisfied that overall limit remained relatively low, to the point that searching Mrs T's credit file and considering her account history was likely proportionate.

Again there are no results from the checks which were completed; but I've been presented with Mrs T's account history. These show that Mrs T was managing her account well; and had not been utilising high levels of her available credit limit. She had made her necessary repayments on time for both of these increases.

So, in the absence of any information I'm satisfied this information shows Mrs T could've likely afforded the increases. And as such it follows that I do not think JDW acted unfairly in providing the initial credit limit or two subsequent increases.

As stated above JDW has provided redress from September 2009; and as such I do not require it to take any further action in relation to this complaint.

Account ending I-557

This account was opened later in June 2009. The opening credit limit was £125. There was one further increase in July 2009 to £225 before JDW's existing offer of redress in September 2009.

Similar to account A-168 I'm satisfied that JDW does not need to do anything further in relation to this account.

Again, JDW says that it searched Mrs T's credit file prior to each lending decision; as well as taking into consideration her payment history. Due to the passage of time that has passed JDW has been unable to provide our service with the details of the results it completed for each check.

As I've set out above, I'm satisfied that proportionate checks were completed in this instance. This is because the opening limit was low, and although Mrs T had other accounts with JDW by this time, the total combined credit she had was also low. As such searching her credit file was likely proportionate in this instance. The same applies to the credit increase of £225.

I've not been presented with any information that shows Mrs T's finances were such that JDW were irresponsible to approve her for the initial limit. The account history from both of these accounts show again that Mrs T was maintaining her accounts well at this point; and was not utilising high amounts of her available credit. It seems that Mrs T was making her required repayments on time and there is no evidence of any financial hardship. So I'm satisfied on balance that Mrs T could've likely afforded the initial credit limit and the subsequent increase. And as such it follows that I do not think JDW acted unfairly in providing the initial credit limit or the subsequent increase.

As stated above JDW has provided redress from September 2009; and as such I do not require it to take any further action in relation to this complaint.

I appreciate this decision, and Mrs T's other linked complaint, will come as a disappointment to her. However, I hope my explanation sets out my findings clearly for her. As JDW has already completed the appropriate redress on this complaint I make no further award against it.

Putting things right

As J D Williams & Company Limited has already completed this redress I make no further award against it.

My final decision

My final decision is that the offer of redress made by J D Williams & Company Limited is fair and reasonable in the circumstances of this complaint. As J D Williams & Company Limited has already completed this redress I make no further award against it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 11 November 2022.

Tom Whittington
Ombudsman