

## 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. Our investigator looked into the complaint and provided her recommendations. She recommended this complaint be upheld in part. JDW agreed with our investigator's recommendations; Mrs T has agreed in part. However, Mrs T remains unhappy on accounts where our investigator has not recommended any or full redress.

For ease I've set out the accounts Mrs T has with JDW and what our investigator recommended and whether Mrs T accepts these findings. In essence Mrs T is disputing the accounts which are in bold. However, she has requested a review of all of the accounts. The accounts are summarised below:

<u>Account Ending</u>	<u>Date Taken</u>	<u>Investigator Assessment</u>	<u>Mrs T accepts</u>
<b>G-256</b>	<b>March 2011</b>	<b>Part upheld from December 2011</b>	<b>No</b>
<b>T-117</b>	<b>September 2015</b>	<b>Not upheld</b>	<b>No</b>
<b>T-169</b>	<b>December 2015</b>	<b>Not upheld</b>	<b>No</b>
K-490	February 2016	One order returned in full	Yes
B-926	March 2017	One order returned in full	Yes
<b>S-414</b>	<b>August 2018</b>	<b>Part upheld from November 2018</b>	<b>No</b>
<b>Y-843</b>	<b>August 2018</b>	<b>Part upheld from November 18</b>	<b>No</b>
Y-490	September 2018	Never used	Yes

C-949	December 2018	Offer made in line by JDW	Yes
C-163	December 2018	Offer made in line by JDW	Yes
X-478	July 2019	Upheld in full	Yes
N-979	November 2020	Upheld in full	Yes

Mrs T had two further accounts (A-168 and I-557) which don't form part of this complaint; so I've not considered them here. These accounts are being considered under a separate reference.

### **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 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 this complaint should be upheld in part. I'm satisfied that the redress should remain the same as that set out by our investigator. 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 start with the accounts which are not in dispute.

As Mrs T and JDW have accepted the findings in relation to accounts N-979, C-949, C-163 and X-478; I won't set out any further findings in relation to them other than to say I'm also satisfied this accounts should be upheld in full.

Accounts Y-490, B-926 and K-490 did not suffer any financial loss. This is because either the account was not used; or the goods purchased on them were returned in full. As there was no financial loss on these accounts there is no finding that I can make in relation to them.

So after taking into consideration the status of those accounts, there are five further accounts which are in dispute. I'll set my findings out in relation to each of these in turn.

### Account ending G-256

This account was opened in March 2011. The initial credit limit was £125. The limit on the account was increased five further times – July 2011 to £200, August 2011 to £300, September 2011 to £500, October 2011 to £700 and December 2011 to £1,000.

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.

Our investigator recommended that this account be upheld from the final increase in December 2011. JDW agreed with this recommendation. Mrs T says JDW should not have provided this account.

I've considered Mrs T's arguments, but I'm not persuaded by it. I'm satisfied that based on the information which has been provided that JDW acted unfairly when it approved Mrs T for the credit limit increase in December 2011.

I say this because I'm satisfied that JDW completed proportionate checks in relation to the initial limit and the subsequent limit increase up to December 2011. The credit limit up until this point was relatively low (even taking into account any other account limits Mrs T had at the same time); meaning that the checks needed to be proportionate to it. Whilst JDW can't provide the results of the searches it completed; I'm satisfied that searching Mrs T's credit file would be proportionate in this instance. This is because by searching Mrs T's credit file JDW would've been in a good enough position to understand how Mrs T was managing her existing credit.

Although I've not been presented with the information from the results of JDW's checks; I've not seen any further information which demonstrates Mrs T was not in a position to sustainably make the repayments on the account. So, in the absence of contradictory information I'm unable to say JDW acted unfairly in providing Mrs T the initial credit limit and the subsequent increases in July, August, September and October 2011.

However, by December 2011 JDW had increased Mrs T's limit to £1,000 which was a significant credit limit. At this point I'm satisfied JDW should've completed further checks to better understand Mrs T's financial position. As it didn't do this I'm not satisfied JDW completed proportionate checks at this point.

We've asked Mrs T to provide details of her finances from around this time; but due to the passage of time she has understandably been unable to provide much information. So in the absence of any further information; I've had to consider the information we have on file to consider on balance what further checks would've shown.

The account history demonstrates that Mrs T had begun to fall into arrears with this account after the increase in October 2011. Whilst this amount was relatively low; I'm satisfied it demonstrates that Mrs T was beginning to struggle to manage her account sustainably. Mrs T has told us she was struggling financially at this point; and I'm satisfied that this was likely the case on balance. As such I'm satisfied that had JDW completed further checks it would've likely seen this increase was unaffordable to Mrs T and not provided.

As stated above JDW has already accepted this finding.

#### Account ending T-117

This account was taken out in September 2015 and had an initial limit of £100. There is no evidence this account had any increases to it.

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.

I'm satisfied that JDW completed proportionate checks in relation to this account. Considering the low value of the account (and the total credit Mrs T had available to her at this time); I'm satisfied that searching her credit file would've been given JDW sufficient insight into Mrs T's finances. As such I'm satisfied the checks were proportionate.

Although I've not been provided with the results of these checks; I'm satisfied they would've likely shown Mrs T could afford the necessary repayments. Again, this is because the value of the credit being advanced was minimal that I'm satisfied that any information JDW gathered would've likely shown Mrs T could've afforded the repayments.

So overall I'm satisfied JDW acted fairly in providing this account. As such JDW does not need to do anything further in relation to this aspect of Mrs T's account.

#### Account ending T-169

This account was opened in December 2015 and was for a limit of £150. This account also did not have any form of credit increases.

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 this check.

Similar to account ending T-117; I'm satisfied that JDW approved this account fairly. This is for largely the same reasons as account ending T-117. The checks JDW completed here were proportionate as JDW searched Mrs T's credit file; which would've given it a sufficient insight into her finances.

And whilst Mrs T had a number of accounts with JDW at this time; her overall credit limits remained relatively low. So, I'm satisfied that the information JDW would've likely seen would've likely shown Mrs T could afford the necessary repayments for this account too. As such I'm satisfied JDW acted reasonably in approving this account.

#### Account ending S-414

This account was opened in August 2018 and had an initial limit of £150. It had four subsequent credit increases: November 2018 to £250, December 2018 to £350, January 2019 to £500 and November 2019 to £800.

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.

Our investigator recommended that this account be upheld from the November 2018 increase. JDW agreed with this recommendation. Mrs T says JDW should not have provided this account.

I'm satisfied the initial limit had proportionate checks; as this was for a relatively low amount; and searching Mrs T's credit file would've been proportionate. And whilst we don't have the information from the checks; I've also not seen any information which demonstrates Mrs T

could not have afforded the necessary repayments. As such I'm satisfied JDW made a fair decision to give Mrs T the initial limit.

However, having reviewed the information we have, I'm satisfied that JDW acted unfairly in increasing the limit from November 2018 onwards. Whilst the checks were proportionate in this instance; I'm satisfied JDW made an unfair decision to approve Mrs T for further credit. I say this because the account history demonstrates that by November 2018 Mrs T had begun to fall into arrears on the account. I'm satisfied this information demonstrated that Mrs T was not managing her accounts in a sustainable way; and further lending at this point would not have been reasonable.

As such I'm satisfied JDW acted unfairly increasing this account from November 2018 onwards. I note JDW has already agreed with this finding.

#### Account ending Y-843

This account was taken out in August 2018 for an initial limit of £150. There were three further increases: October 2018 to £250, November 2018 to £350 and October 2019 to £600.

Similar to account ending S-414 I'm satisfied that JDW acted unfairly when it increased Mrs T's limit from November 2018. This is for largely the same reasons as account S-414. Whilst the initial lending decision and first increase had proportionate checks and fair decisions; I'm satisfied that by November 2018 Mrs T was demonstrating she was struggling to manage her payments across her various account.

By November 2018 Mrs T had begun to build arrears on her account S-414 and as this increase was approved around the same time it is likely Mrs T would not have likely been able to afford this increase (or future increases) either.

As such I'm satisfied that JDW acted unfairly in providing the limit from this time onwards. Before this time, I'm satisfied the evidence demonstrates that Mrs T could've likely afforded the initial limit and first increase (this is for the same reasons as those for account ending S-414).

I note that JDW has already agreed with this finding too.

So overall; I'm satisfied Mrs T's complaint should be upheld in part. I'm satisfied that JDW needs to put things right on the following accounts:

<b><u>Account Ending</u></b>	<b><u>Date Taken</u></b>	<b><u>Ombudsman Redress</u></b>
G-256	March 2011	Upheld from December 2011
S-414	August 2018	Upheld from November 2018
Y-843	August 2018	Upheld from November 18
C-949	December 2018	Offer made in line by JDW

C-163	December 2018	Offer made in line by JDW
X-478	July 2019	Upheld in full
N-979	November 2020	Upheld in full

### **Putting things right**

JDW's actions have caused Mrs T to suffer a financial loss as she has had to pay additional interest and charges on some of her accounts. As such it needs to take steps to put things right.

Our investigator set out the necessary redress in detail to both parties previously. I note that JDW has already actioned the redress our investigator recommended. My final decision does not alter any of the redress payments for Mrs T; so, I'm satisfied that whilst this complaint is upheld; JDW does not need to do anything further than it already has in relation to the above mentioned accounts.

I would also clarify that once the balance for any of the accounts which have been upheld has been settled; then JDW needs to remove any negative information in relation to them from the relevant point the account has been upheld.

### **My final decision**

My final decision is that I uphold this complaint against J D Williams & Company Limited.

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**