

## The complaint

Mr B complains about a catalogue account with J D Williams & Company Limited, that was opened using some of his personal details.

## What happened

In November 2020, an account was opened with JD Williams in Mr B's name. However, the person who opened the account used Mr B's previous address details and a date of birth, which is different to Mr B's.

A few months later, Mr B was trying to arrange a mortgage with a lender. During those arrangements, the lender told Mr B about an entry on his credit file with JD Williams. The lender suggested that Mr B should correct the entry, before any mortgage deal could go ahead. So, Mr B complained firstly to a credit reference agency and then to JD Williams.

Initially, JD Williams couldn't find the catalogue account. After further prompting by Mr B, JD Williams investigated his concerns. And a couple of weeks later, JD Williams closed the account, wrote the balance off and removed the entry from Mr B's credit file.

Mr B was unaware of the action taken by JD Williams, so he made a complaint. He said the incorrect entry on his credit file meant he was stopped from applying for a mortgage. He said he had to make other arrangements, which had caused significant upheaval and inconvenience, for him and members of his family.

JD Williams didn't offer to do anything further than they already had. So, Mr B brought his complaint to our service. One of our investigator's looked into Mr B's case and found that Mr B chose to stop his mortgage application, rather than the entry causing it to be declined.

The investigator concluded that JD Williams wasn't responsible for the mortgage not going ahead, but she agreed they could have told Mr B what was happening sooner. So, the investigator asked JD Williams to pay Mr B £200 for the distress and inconvenience caused. The investigator also asked JD Williams to send a letter to Mr B confirming the account was opened without his authority, should he need it in the future.

JD Williams accepted the investigator's conclusions, but Mr B didn't. He said he chose not to go ahead with the mortgage application to avoid any embarrassment. He also said the wording of JD Williams's letter was inadequate and he should be awarded more compensation. The investigator didn't change her findings and now Mr B's case has been passed to me to make a final decision.

I sent Mr B and JD Williams my provisional decision on this case, on 9 January 2023. I explained why I think the complaint should be upheld. A copy of my provisional findings is included below:

*Firstly, I'm very aware I've summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is at the heart of the matter here. Namely: did JD Williams treat*

*Mr B fairly when he told them he didn't authorise the opening of the catalogue account?*

*If there's something I've not mentioned, I haven't ignored it. I've not commented on every individual detail. I've focussed on those that are central to me reaching what I think is the right outcome. This reflects the informal nature of our service as a free alternative to the courts.*

*The catalogue account*

*Throughout his complaint to JD Williams, Mr B has said that a third party opened the catalogue account using his name, but with an incorrect address and date of birth. I can see where Mr B was told this in a letter from a mortgage provider in February 2021. After first raising this with a credit reference agency, I can see that Mr B contacted JD Williams on 31 March 2021 to tell them what had happened.*

*Although we don't have a copy of the signed application details used in the opening of the account, JD Williams have sent us a copy of their internal records. These records show that they accepted the account was opened fraudulently on 12 April 2021 and took action to put things right.*

*I empathise with the circumstances Mr B found himself in. I think it's reasonable to want to know how a third party could have used incorrect details to open a credit facility in his name. But, our role is to look at what JD Williams did once they were made aware of the fraud. And as JD Williams have agreed that the account was opened fraudulently, I don't think it's necessary for me to consider the details, or the process they used to open the catalogue account.*

*The records from JD Williams show that once their investigation was completed, they closed the catalogue account and wrote off the debit balance. I can see that they also arranged for any connection to the account to be removed from the information held with credit reference agencies.*

*Overall, I think JD Williams took the action to put things rights within two weeks of Mr B first raising it with them. I accept that within those two weeks, it's likely Mr B was extremely worried about what had happened. But, given the level of investigation needed, I think JD Williams took the necessary steps in a reasonable amount of time. So, I think they treated Mr B fairly in closing the account, once they became aware of Mr B's concerns.*

*Distress and inconvenience*

*When the catalogue account was opened, Mr B and his family were making significant changes to their personal circumstances. Mr B has sent us a very detailed description of what was happening and the distress he had experienced. So, I understand why it was important to him to be able to carry out his plans.*

*I can see from what Mr B has told us, that on receiving news about the catalogue account from the mortgage lender in February 2021, he decided not to proceed with an application. And he says this led him to alter his plans, causing him a financial loss. But, I can also see that Mr B made that decision, before JD Williams were aware of his concerns. I say this because Mr B contacted JD Williams at the end of March 2021.*

*Mr B says he chose not to continue with the mortgage application to prevent any embarrassment, should the application be declined. While I acknowledge Mr B's reasons for taking that step, I'm not persuaded it would be fair to place any responsibility of the mortgage not going ahead, onto JD Williams. So, I don't think JD Williams needs to pay*

*compensation to Mr B for the loss he says he suffered when he changed his plans.*

*Nonetheless, I can see from the communication between Mr B and JD Williams where more could have been done to be clearer about what had happened. In June 2022, JD Williams sent an email to Mr B, for him to use should another lender raise concerns about the catalogue account in the future. I think this was a positive step by JD Williams, but I agree with Mr B in that it may have been more useful when his concerns were raised in March 2021.*

*Overall, I think JD Williams caused Mr B distress and inconvenience by not making it clear that the account was opened fraudulently. And I don't think they engaged enough with Mr B, to help with the changes he was making with his personal circumstances. So, I think it's fair that JD Williams makes a payment to Mr B to reflect that.*

*More recently Mr B has sent us details of an entry about the catalogue account which appears with a credit reference agency. JD Williams say that they have removed any such entry from the credit reference agencies they use. I think this has caused further worry and distress to Mr B. JD Williams has now offered to increase their award to Mr B to £300 for the distress and inconvenience caused to him. Having considered everything, I think JD Williams's revised offer is fair.*

Mr B responded to the provisional decision and in summary, he said:

- he was given contradictory information in two telephone calls he had with JD Williams and had that not been the case, his mortgage application may have gone ahead;
- he needed to chase JD Williams and the credit reference agency, but didn't feel anyone was taking responsibility;
- he hadn't seen any evidence to show that JD Williams had closed the account within two weeks of being made aware of his concerns; and
- he's still feeling the impact of JD Williams's error as the account hasn't been removed from the records held with all credit reference agencies.

JD Williams responded to the provisional decision and accepted it.

### **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.

Mr B has reiterated that had JD Williams engaged more with him in April 2021, he could have continued with his mortgage application. But, he says JD Williams couldn't find the account and in a follow up call, was unable to address the matter there and then. I've listened to the call recordings that Mr B has provided and I agree that JD Williams could have given him more reassurance, particularly in the first call. But, by this point I still think that Mr B had decided to look at another option. Albeit a much more inconvenient way of dealing with the changes he was making with his personal circumstances.

JD Williams have explained to us that they took action to review Mr B's concerns and closed the account on 12 April 2021. I'm not aware of any correspondence from JD Williams in pursuit of any arrears after this point. And JD Williams have provided us with their internal records to show where they raised an instruction to delete the account from the information

held with credit reference agencies.

I also think the two week timeframe was reasonable for JD Williams to have completed their investigation into the fraudulent account. So, I'm still persuaded that JD Williams treated Mr B fairly, once he had made contact with them.

I acknowledge that Mr B says his credit score at the time was favourable. Indeed, the credit report details generated by Mr B in February 2021 supports this. But, as Mr B had already decided not to proceed with or restart the mortgage application, I don't think it would be fair to hold JD Williams responsible for the loss he says he suffered as a result.

Overall, I acknowledge what Mr B says about the inconvenience JD Williams's actions have caused and the reasons why the award should be increased. However, having thought about what Mr B went on to do and where I think JD Williams should have been clearer with him, I still think a payment of £300 is fair and reasonable for the distress and inconvenience caused.

I'm aware that Mr B says he still finds that the account with JD Williams appears on reports by a specific credit reference agency. I've passed on the evidence Mr B has provided to JD Williams, so they can follow through with their settlement, directly with that organisation. So, I think it's fair that they make sure that the records for the account are removed from all credit reference agencies.

### **Putting things right**

For these reasons J D Williams & Company Limited should:

1. remove the account from the records held with credit reference agencies; and
2. pay Mr B £300 for the distress and inconvenience caused.

### **My final decision**

My final decision is that I uphold this complaint and require J D Williams & Company Limited to put things right as 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 27 February 2023.

Sam Wedderburn  
**Ombudsman**