

The complaint

Mr T complains that Jaja Finance Ltd ("Jaja") opened a credit facility for him without his permission after telling him that it had terminated his account. He says he no longer wants a credit facility but hasn't been able to close the account because it has a positive balance.

What happened

Mr T held a Jaja Finance credit card account. In November 2022 Mr T received an email from Jaja advising him that his Finance account was going to be closed as it was considered to be dormant due to no transactional activity over the last twelve months.

Mr T raised a complaint with Jaja about this. Jaja didn't uphold the complaint and send a final response letter stating that the terms and conditions of the account allowed Jaja to close it on giving two months' notice. Jaja also said that it was against the terms and conditions for the account to have a credit balance and asked Mr T to contact them to arrange for the credit balance to be refunded to his current account.

In May 2023 Mr T withdrew the credit balance on the account at a cashpoint. Jaja applied a £3.00 cash advance fee.

In June 2023 Jaja wrote to Mr T and said he'd been selected for a Jaja One credit card and that his account would be automatically moved onto this.

Mr T raised a complaint with Jaja. He wasn't happy that he'd been charged a fee for withdrawing his credit balance and he hadn't been advised that his account wouldn't be closed. Mr T was unhappy that Jaja had carried on the credit agreement without permission.

In its final response, Jaja advised Mr T that there was no obligation to be moved over to the Jaja One card and apologised for any distress caused by the offer of the new product. Jaja advised Mr T that if he didn't want to be transferred to the new credit card then he could request that his account be closed by contacting the support team. Jaja said that as a gesture of goodwill it and refunded the £3.00 cash advance fee to his Jaja Finance account. It said that Mr T could request a refund of this credit balance to his current account via the support team.

Mr T wasn't happy with the response and brought his complaint to this service. He accepts that Jaja can close his account but said his complaint was about Jaja operating a credit facility for him without his permission or knowledge after he'd been told that the account was being closed.

Our investigator didn't uphold the complaint. He said he was satisfied that Mr T's Finance account hadn't closed and that therefore it hadn't been operated without his permission. The investigator said he acknowledged that Jaja hadn't closed Mr T's account as it stated it would and said this was because Jaja had identified an alternative product. The investigator said he appreciated that this had caused confusion and he thought Jaja's communications could've been clearer, but said he was satisfied that there hadn't been any detrimental impact on Mr T.

Mr T didn't agree. He said that Jaja had written to him telling him that it was closing his account and as far as he was aware this had been done. Mr T said he didn't think it was legal that Jaja had closed the account and then re-opened it without his permission. Mr T said he no longer wanted a credit card with Jaja but because it had given him a positive balance, he couldn't close the account. Mr T said he wanted an apology from Jaja, the credit balance returned to him and all his dealings with Jaja terminated.

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 appreciate that Mr T believes that Jaja has done something wrong by re-opening his account without his permission. However, I'm not persuaded that Jaja re-opened the account. Looking at what's happened here, I can see that Jaja never closed the account – even though it wrote to Mr T and told him that it would be closing the account

Jaja has explained why the account wasn't closed in accordance with the letter it sent to Mr T in November 2022. It has said that the account wasn't closed due to the credit balance being in place. Jaja has said that it can't close an account with a positive or negative balance.

I can't see that Jaja explained this to Mr T at the time. I can see that Jaja asked Mr T to contact them to arrange for the credit balance to be refunded to his current account when it sent its final response letter in relation to his first complaint, but I can't see that Mr T did this, so the credit balance remained on the account preventing its closure.

I'm aware that Mr T withdrew the credit balance at a cashpoint in May 2023. This resulted in a cash withdrawal fee being applied to the account which was later credited back. But this still left the account unable to be closed because of the credit balance.

Following this, Jaja offered Mr T the opportunity to transfer to a different account – the One account.

Based on what I've seen, I'm not persuaded that Jaja re-opened Mr T's account. The account was never closed. So, this isn't a case where Jaja has opened a credit facility without Mr T's permission. But it's clear that Mr T expected his account to be closed because that's what Jaja told him it was going to do. I think Jaja could've provided better service to Mr T by explaining that it hadn't been able to close his account because of the credit balance.

I appreciate that Mr T doesn't want any more accounts with Jaja. In order to close the account, Mr T needs to contact Jaja and provide details of his current account so that the credit on the account (£3.00) can be transferred to his bank account. Once the Jaja account has a zero balance, it can be closed.

Mr T has also raised some points about his personal information and data protection. Jaja's privacy notice states that it will store information for a period of 7 years following account termination. This is subject to the right of erasure, so Mr T is entitled to ask Jaja to erase his personal information if there is no overriding basis for retaining it. Mr T will need to make this request to Jaja. I can't see that he's made such a request yet, so I'm unable to say that Jaja has made an error or treated Mr T unfairly in this respect.

Taking everything into account, I'm not upholding the complaint. I appreciate that Jaja could've provided better service to Mr T by explaining why his account couldn't be closed even though it has stated that it was going to close it. However, in relation to Mr T providing

his current account details so that the credit balance can be transferred, and the account closed, I can see that Jaja has asked him to contact the support team to arrange this, and its up to Mr T to make contact.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 25 February 2024.

Emma Davy
Ombudsman