

The complaint

Ms H is being represented by a claims manager. She's complaining about J D Williams & Company Limited because she says it lent to her irresponsibly, offering credit she couldn't afford.

What happened

In June 2016, Ms H opened a catalogue account with J D Williams with an initial limit of £125. By November 2017, the limit had been increased to £2,250.

Our investigator didn't conclude the complaint should be upheld. While he felt J D Williams should have carried out more detailed affordability checks before continually increasing the credit limit, he wasn't able to establish whether offering further credit was a reasonable decision because Ms H hadn't provided the additional information he requested, including bank statements for the period and a copy of her credit file.

Ms H's representative told us she didn't accept the investigator's assessment and asked for the complaint to be reviewed. It explained she's vulnerable and asked we take this into account. It also said this meant there would be a delay in providing additional information.

The complaint has now been referred to me for review.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

Before lending to Ms H, J D Williams was required to carry out appropriate checks to ensure the repayments were affordable and sustainable. To decide whether this requirement was met, the key questions I need to consider are:

- Did J D Williams complete reasonable and proportionate checks to establish that Ms H would be able to repay the credit in a sustainable way?
 - If so, was the decision to lend fair and reasonable?
 - If not, what would reasonable and proportionate checks have discovered, and would the decision to lend have been fair and reasonable in light of that information?

The account started with a low credit limit but this increased significantly from £125 to £2,250 in less than 18 months. I share the investigator's view that J D Williams should have

carried out additional affordability checks over and above those it's described to us to ensure further borrowing at this scale was affordable.

I can't know exactly what further checks J D Williams might have carried out at the time, but I think a consideration of Ms H's actual income and expenditure would have been reasonable. To establish what information could reasonably have been discovered, and therefore allow me to assess whether the lending was appropriate, our investigator asked Ms H's representative to obtain copies of her credit file and bank statements from the time.

The investigator initially requested this information in October 2023 and, more than four months later and despite several reminders, it's still not been provided. Ms H's representative has referred to her vulnerability that means she needs further support. I'm sorry to hear about this but her representative should be in a position to provide support with obtaining information if required. Ms H authorised her representative to conduct her complaint and obtain J D Williams and I don't see why she wouldn't have authorised it to obtain information from other sources as well if asked to do so.

We can't keep complaints open indefinitely and it's my view that sufficient time has been allowed for Ms H's representative to provide additional information on her behalf. I'm also satisfied the consequences of not providing this information have been set out by the investigator and I think it's right that I now move to issue our final decision.

Without the further information requested from her representative, I don't have sufficient evidence to demonstrate the credit provided by J D Williams was unaffordable for Ms H and I'm therefore not in a position to conclude the lending was unaffordable and shouldn't have been granted.

It's for these reasons that I'm not upholding Ms H's complaint. I realise this outcome will be disappointing for her, but I'm satisfied it's fair and reasonable in the circumstances.

My final decision

For the reasons I've explained, I'm not upholding Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 26 March 2024.

James Biles
Ombudsman