

The complaint

Mr P complains that J D Williams & Company Limited trading as Jacamo ('J D Williams') irresponsibly gave him a revolving credit account that he couldn't afford.

What happened

In January 2013, Mr P applied for a revolving credit account with J D Williams. He was given an initial credit limit of £125. The credit limit was increased ten times to £3,500 in December 2018.

Mr P took out a second account with J D Williams on 21 December 2021. J D Williams has upheld the complaint about that account in its entirety. I make no further mention about that account in this decision.

In 2022, Mr P complained to J D Williams to say that the revolving credit account shouldn't have been opened for him because it wasn't affordable and that J D Williams ought to have made a better effort to understand his financial circumstances before providing him with credit.

Our investigator thought the complaint should be upheld, but only for the last increase to the credit limit in December 2018. J D Williams didn't agree. So, the complaint was passed to me to decide.

I issued my provisional decision in respect of this complaint on 22 January 2024, a section of which is included below, and forms part of, this decision. In my provisional decision, I set out the reasons why it was my intention not to uphold Mr P's complaint. I set out an extract below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

J D Williams will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Our investigator in her assessment provided a detailed account of all the increases and reductions of credit. Neither party has called the specifics into question, so I don't intend to cover them off here. Mr P's complaint is that J D Williams failed to make adequate checks before providing her with credit or increased credit.

J D Williams has explained that it carried out a credit check using a credit agency to determine the amount of credit it was able to offer. The checks produced credit scores which took into account Mr P's overall credit commitment and Mr P's management of that credit. J D Williams told us that Mr P's account was assessed over time from the credit check information and the credit limit was set using that information and their observation of Mr P's management of the account.

The credit information that J D Williams acquired showed insufficient adverse information to put them off making any of the lending decisions. So, I have seen insufficient evidence to think that Mr P was not managing his existing credit at the times of the credit limit increases to the catalogue account.

And Mr P's management of his account would not have shown anything to deter further lending as the account was well run by Mr P. In saying that I have noted that there were no instances of missed payments or of Mr P being over or indeed close to his limit during the time the credit limit was being increased.

So, I don't think J D Williams were put on notice to make checks of a more searching nature. And I have seen insufficient evidence to think that any of the lending decisions were unreasonable."

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 6 February 2024. J D Williams has not yet acknowledged the provisional decision. But Mr P has. Mr P has disagreed with those provisional findings.

Having reviewed the case file again in its entirety, I do not think it prejudicial to J D Williams for me to proceed to a final decision in this complaint, without a further submission from them. So, I am proceeding to my final decision.

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 P thinks that whilst he was making his payments on time, I should have placed more weight on his existing borrowing at the time further lending was provided. Mr P has been a strong advocate for his case, highlighting the parts of his circumstances that aid his argument. I would like to assure Mr P that I have noted his comments. And I considered all those aspects of the complaint before reaching my provisional findings.

I have considered all the details presented to me in reaching my determination. I considered the historic credit information which featured no adverse markings and Mr P's good management of the account at the heart of this complaint. Having done so, I did not think that the things mentioned by Mr P were sufficient in themselves to outweigh the other parts of the evidence from the time of the lending decisions in question and that suggested the lending was not unreasonable.

So, as neither party has provided any new information or argument for me to consider following my provisional decision, I have no reason to depart from those findings. And as I've already set out my full reasons (above) for not upholding Mr P's complaint, I have nothing further to add.

So, having looked again at all the submissions made in this complaint, including Mr P's latest submission, I have still seen insufficient reason to uphold the complaint.

My final decision

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 March 2024.

Douglas Sayers
Ombudsman