

The complaint

Mrs G complains that J D Williams & Company Limited trading as Simply Be was irresponsible in its lending to her. She wants all interest and charges she has paid refunded and any adverse information removed from her credit file.

What happened

Mrs G was provided with a Simply Be account by J D Williams in November 2022. The initial credit limit was £250. The credit limit was increased on seven occasions to £2,800 in September 2023.

Mrs G said that adequate checks weren't carried out before the credit was provided. She said that had her credit file been checked when she applied for the account J D Williams would have seen that she had several other credit cards with high credit limits and that she was only making her minimum payments. She said that this credit made her financial position worse.

J D Williams issued a final response to Mrs G's complaint in October 2024. It said that before providing the account and credit limit increases it carried out credit worthiness assessments using data from several sources including the credit reference agencies. It said that its checks didn't raise concerns and it didn't accept it had lent irresponsibly.

Mrs G referred her complaint to this service.

Our investigator thought the checks carried out before the account was opened and credit limits applied were reasonable. She noted that Mrs G's balance hadn't exceeded the £2,000 credit limit applied in June 2023 and so she didn't consider the final credit limit increase. She assessed the information obtained at the time of the account opening and first six credit limit increases and as she didn't think this raised concerns that Mrs G wouldn't be able to sustainably afford the repayments she didn't uphold this complaint.

Mrs G didn't agree with our investigator's view. She said she was using large amounts of credit and had taken out multiple loans in the period when the credit limit increases were applied. She said this should have raised concerns with J D Williams that her debts were becoming unsustainable.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess

creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Mrs G was provided with a Simply Be account in November 2022 with an initial credit limit of £250. The credit limit was increased on seven occasions as follows:

1. December 2022 – increase to £350
2. January 2023 – increase to £400
3. February 2023 – increase to £700
4. March 2023 – increase to £1,000
5. April 2023 – increase to £1,400
6. June 2023 – increase to £2,000
7. September 2023– increase to £2,800

Mrs G's balance didn't exceed the £2,000 credit limit applied in June 2023. As she didn't use the additional credit provided in September 2023, she hasn't incurred any additional costs as a result of this. Therefore, I haven't considered this credit limit any further and my decision focusses on the account opening and first six credit limit increases.

Account opening

Before the account was opened, J D Williams carried out a credit check to assess Mrs G's creditworthiness. This didn't highlight any issues, with no defaults or county court judgements identified. Mrs G was noted as having nine accounts with no arrears recorded. As the initial credit limit provided was £250 (which would result in monthly repayments of around £12.50 if the full limit was used), I think the checks carried out were reasonable. As these didn't raise concerns that Mrs G was struggling financially at the time, or other issues that would mean the lending might not be responsible, I do not find I can say that J D Williams was wrong to provide the account.

Credit limit increases 1 to 6

Mrs G's credit limit was increased six times in around seven months. This is a high number of increases and noting the credit limit had increased from a relatively low figure of £250 to £2,000 in that time, I have looked at the information gathered by J D Williams before these increases were applied to assess if it was reasonable and whether it should have raised any concerns about the additional lending.

J D Williams monitored Mrs G's account management and her external credit commitments. Having looked through this information I do not find this raised concerns that meant further checks should have been carried out. I say this because Mrs G appeared to be generally managing her external credit commitments well and while I can see she was making the minimum repayments due on her J D Williams account, she wasn't missing payments or showing any other signs of financial difficulty. The credit limit was increased to £1,400 by April 2023, but Mrs G wasn't utilising the additional credit and her balance had remained within the initial credit limit offered. This doesn't suggest that she was reliant on the credit. While Mrs G's balance did then increase before the June 2023 credit limit increase, she was

still comfortably within the account limit.

Taking everything into account, I do not find that the evidence suggested Mrs G was struggling financially at the time of the credit limit increases and based on the information I have seen, I do not find I can say that J D Williams was wrong to provide the additional credit.

I've also considered whether J D Williams acted unfairly or unreasonably in some other way given what Mrs G has complained about, including whether its relationship with Mrs G might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think J D Williams lent irresponsibly to Mrs G or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 30 April 2025.

Jane Archer
Ombudsman