

Complaint

Ms A says that J D Williams & Company Limited (trading as "Simply Be") unfairly sent her letters that failed to notify her of the correct time limit to reject interest rate changes it was applying to her account. She's also said that these letters failed to set out that she had the right to repay her outstanding balance within a reasonable period of time at her existing interest rate.

Ms A is also unhappy at the fact that when she did reject an interest rate change in and around September 2022, Simply Be immediately decreased her credit limit. This resulted in Simply Be incorrectly reporting that she was over her credit limit to credit reference agencies and had a detrimental impact on her ability to access other credit.

Background

Simply Be provided Ms A with a catalogue shopping account in July 2017. In August 2018, Simply Be informed that Ms A that it would be increasing the interest rate¹ on her account from 1.506% to 2.029% with effect from September 2018. Ms A was told that she didn't have to accept this change and that she was instead entitled to terminate her agreement by providing one months' notice and repaying her balance in full.

In September 2022, Simply Be once again wrote to Ms A to inform her that her interest rate would be increasing from 2.029% to 2.517% with effect from October 2022. Ms A was once again told that she could reject this interest rate change by contacting it and confirming her wish to close her account within 30 days. Ms A contacted Simply Be to reject the interest rate increase. It would appear that around the time Ms A did this, Simply Be immediately reduced Ms A's credit limit to £1 and this led to adverse information being reported to credit reference agencies.

Simply Be didn't uphold Ms A's complaint. It didn't think that it had done anything wrong. Nonetheless, as a gesture of goodwill, it offered to write off the outstanding balance of £369.59 that remained on Ms A's account and also cease reporting all adverse information about Ms A's account to credit reference agencies.

Around this time Ms A also complained that she shouldn't have been given her catalogue shopping account in the first place, as it was unaffordable and therefore Simply Be had irresponsibly lent to her. Simply Be accepted that it shouldn't have lent to Ms A and it agreed to refund all of the interest, fees and charges it added to the catalogue shopping account minus the £369.59 it had been intending to write off, as a gesture of goodwill, in its earlier response.

Ms A remained dissatisfied and referred her complaint to our service.

One of our investigators looked into Ms A's concerns. He thought that what Simply Be had already done to put things right - refunding all of the interest, fees and charges added on the

¹ Interest was applied to Ms A's account every 28 days.

account from the outset - was fair and reasonable in the overall circumstances of all of Ms A's grievances.

Ms A disagreed with the investigator's conclusions and asked for an ombudsman to review her complaint. So the case was passed to an ombudsman for a final decision.

My findings

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

Before I go on to set out my conclusions on this matter, I want to say that I can see that it's clear just how strongly Ms A feels about her complaint and why she's unhappy. So I think it might help for me to set out that while I may have not commented on each and every point that she's made, I have read and considered everything she's said.

However, I've focused on the key things that have led to me reaching, what in my view is, a fair and reasonable decision. For the sake of completeness, I'd add that the rules of this service permit me to do this as it reflects the nature of our service which was set up to be an informal alternative to the courts.

Having carefully considered everything provided, I'm satisfied that what Simply Be has already done to put things right for Ms A is fair and reasonable in the overall circumstances of her case. So I'm not upholding this complaint. I'll now explain the reasons for my decision in a bit more detail.

Ms A's concerns about the letters she was sent in August 2018 and September 2018

It's clear that Ms A is unhappy at the content of the letters that Simply Be sent to her regarding increasing the interest rate on her account in August 2018 and September 2022. Ms A believes that these letters did not comply with the regulator's rules as they only provided her with 30 days, rather than 60 days, in order to reject the interest rate variations and the letters didn't tell her that she was entitled to repay her outstanding balance at her existing interest rate, within a reasonable period of time, if she did so.

I've thought about what Ms A has said. That said, I don't think that it is necessary for me to consider the content of these letters, or whether they complied with the relevant rules and guidance because I'm satisfied that Ms A didn't suffer a financial loss even if these letters were not compliant with the required standards.

I say this because even if I were to agree that Ms A should have provided additional information, at the absolute best, she would have accepted repaying her outstanding balance at her original interest rate. This would see me directing Simply Be to refund the extra interest that it charged as a result of the interest rate increases.

However, as a result of Ms A's irresponsible lending complaint being upheld, Simply Be has already refunded all of the interest that was added to Ms A's account, not just the additional interest charged as a result of the increased which she says that she wished to reject but wasn't able to. I can't direct Simply Be to refund interest that it has already refunded, even in circumstances where the interest was refunded for a different reason.

I've also noted that Ms A has said that she hasn't been refunded all of the interest added to her account because Simply Be deducted the £369.59 that it originally intended to write off. I accept that Ms A may have been in a better financial position if Simply Be hadn't deducted

the £369.59 from its interest refund. But Simply Be agreed to write the balance off at a time that it wasn't intending to refund the interest Ms A had paid on her account.

Equally, as Ms A is now in the overall position where all she has paid is the cash price of the items that she ordered and had the use of, I'm satisfied that she's in the material position where she hasn't paid any interest, fees and charges on this account. This is the position she would be in had she not paid any interest to Simply Be and I'm therefore satisfied that the refund isn't unfair.

In reaching my conclusions, I've noted that Ms A has said that the settlement here doesn't account for the fact that Simply Be breached its obligations and that its letters are non-compliant with statute, rules and the regulations in place. However, I think it's important for me to explain that it isn't my role to punish a firm or seek to ensure compliance with the regulator's rules and/or statutory provisions.

The responsibility of looking at any wrongdoing across the industry and the functioning of the market falls to the regulator. As I've explained, my role is limited to deciding whether a customer was treated unfairly and if I decide that they were, directing that the firm compensates the customer for any loss they experienced.

For the reasons I've explained, I'm satisfied that Simply Be already having placed Ms A in the position where she has paid no interest at all on her catalogue shopping account means that irrespective of the content of the letters she's unhappy with, she hasn't suffered a financial loss as a result of any possible errors.

As this is the case, I've not been persuaded to uphold this aspect of Ms A's complaint and I now turn to Ms A's concerns regarding her credit limit being immediately decreased in around September 2022.

Ms A's concerns regarding her credit limit being immediately decreased and the adverse information Simply Be may have reported to credit reference agencies

Ms A is unhappy that Simply Be reduced her credit limit to £1 after she rejected the interest rate increase in September 2022 and that this saw it report adverse information to credit reference agencies.

In her submissions to us, Ms A has said that she had an application for car finance declined because Simply Be reported that she was over her credit limit to credit reference agencies. I directed the investigator to ask Ms A to provide with evidence to support what she said. In other words, evidence of the declined car finance application, as well as information from the lender confirming that it made this decision, at the very least, predominantly because of what Simply Be had reported in relation to this catalogue shopping account.

In response to this request, Ms A has provided some general information on how an account being reported as over its limit can affect an individual's credit score. But crucially Ms A hasn't provided anything to corroborate what she's said about having a car (or any other type of) finance application declined in around the time Simply Be reported that she was over her limit on this catalogue shopping account.

It's unfortunate that Simply Be did inaccurately report that Ms A was over her credit limit for the period that it did so. But this doesn't mean that Ms A is automatically entitled to further compensation from Simply Be. As I've explained previously, in order to require a firm to pay compensation, I would need to be satisfied that a customer lost out because of what went wrong. I can't require a firm to pay compensation on the basis that the customer could have

if things had been different lost out, in circumstances where there is no clear corroborating evidence that they did in fact do so.

With this in mind, I accept that the incorrect information Simply Be reported had the potential to cause loss to Ms A. That said, as Ms A hasn't been able to show me that she did have a car finance application declined at this time, I've not been persuaded that Ms A had an application for credit declined that would otherwise have been accepted, but for the fact that Simply Be reported that she was over the limit on her catalogue shopping account. As this is the case, Ms A has not shown me that she suffered a financial loss as a result of Simply Be's actions.

Therefore, I accept that Ms A's credit score and rating may have been affected, for a period of time, as a result of this catalogue shopping account being reported as being over its limit. Although the degree to which it would have done so, would have depended on what Ms A's other repayment to credit was like.

In any event, without clear evidence of exactly Ms A's credit score and rating was affected by Simply Be's actions and most importantly of all that she suffered an actual financial loss, as a result of having an application for finance declined, I'm not persuaded that any further compensation is warranted here.

Other matters

I note that Ms A is unhappy at other aspects of the service that she's received from Simply Be in the period that she's had her catalogue shopping account. For example, she's unhappy with some of the communications she was sent – particularly the automatic payment reminders that she was sent while on a pandemic payment break.

However, it looks like Ms A was sent standard communications by Simply Be. I'm also mindful that firms were required to send certain communications regarding missed payments even where this was pre-arranged with a customer that was on a pandemic payment holiday.

In these circumstances, while I can understand why Ms A will have found these communications frustrating, I'm not persuaded that this caused her distress over and above the general frustrations experienced in everyday life and that she was distressed to an extent that compensation is warranted here. I say this while especially mindful that awards for distress and inconvenience are in themselves typically modest.

It's clear that Ms A remains unhappy. And it would appear that her relationship with Simply Be has irretrievably broken down. I accept that Ms A believes that numerous things have gone wrong in the period she's had her account and she should be entitled to additional compensation.

However, Simply Be refunded all of the interest that Ms A has paid not only means that she no longer has an outstanding balance, it also ensures that Ms A no longer has to have a customer relationship with Simply Be, which Ms A has said she's wanted to be the cases since as far back as August 2018. I'm therefore satisfied that what Simply Be has already done to put things right addresses the crux of what went wrong here and when taken in the round is fair and reasonable in all the circumstances.

As this is the case, while I can understand Ms A's sentiments and appreciate why she remains unhappy, I'm satisfied that it wouldn't be fair and reasonable in all the circumstances of this complaint for me to require Simply Be to pay her any further compensation. Therefore, I'm not upholding this complaint. I appreciate this will be very

disappointing for Ms A. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 18 December 2025.

Jeshen Narayanan
Ombudsman