

The complaint

Miss D complains that J D Williams & Company Limited (“J D Williams”) irresponsibly provided her with a catalogue account and increased her credit limit several times.

What happened

J D Williams provided Miss D with a catalogue account in January 2021 which had a credit limit of £150. It increased her credit limit to the amounts as follows:

- £300 in November 2022
- £500 in January 2023
- £800 in March 2023
- £1,300 in April 2023
- £2,100 in March 2024
- £2,500 in June 2024

I note that Miss D did take out other accounts with J D Williams however the credit facilities were removed or not used on those accounts. I have therefore, in my decision, only considered Miss D’s complaint about this account, where she has used the credit facility.

Miss D complained to J D Williams. In summary, she said she only made the minimum payments on the account and this ought to have shown she couldn’t repay within a reasonable length of time. She says she’d taken out lots of other credit and her overall debt was high – and that she’d missed payments when her account was active. Ultimately, she says by increasing her limit, J D Williams made her financial situation worse.

In its final response, J D Williams said, in summary, it found it didn’t do anything wrong when providing this account and increasing the credit limit. It said Miss D managed her account well. Miss D didn’t agree and so she referred her complaint to our service.

Our Investigator didn’t uphold this complaint. In summary, they said the checks were proportionate and the lending fair for the initial lending decision and the increased credit limits.

Miss D didn’t agree. In summary, she said J D Williams should have checked her circumstances hadn’t changed during this period. Miss D said her salary dropped significantly in December 2023 and she became the sole provider in the household. Having been diagnosed with ADHD in December 2023, Miss D says the larger credit limit fed her impulsive buying traits.

The Investigator reiterated they felt J D Williams’ checks were reasonable and explained J D Williams didn’t know or couldn’t have known about Miss D’s ADHD diagnosis.

Miss D still didn’t agree and in summary, she said the credit report isn’t the full picture. She says she has rent arrears, her electric bill has a high balance, and she’s had to borrow money from parents to get by.

Because the parties couldn't agree, the matter has been passed to me to decide.

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 carefully considered everything provided, I don't uphold Miss D's complaint – and I'll explain why.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss D's complaint.

J D Williams needed to make sure it didn't lend irresponsibly. It was required to carry out proportionate checks to understand whether Miss D could afford to repay before providing the lending. This means J D Williams needed to take reasonable and proportionate steps to check that making the repayments wouldn't cause Miss D undue difficulty or have adverse consequences.

There aren't set rules about what a proportionate check should include and a proportionate check could look different for different applications.

But we might think the lender needed to do more if, for example, a borrower's income was low, the amount lent was high, or if a borrower would be indebted for a lengthy period of time. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show it didn't continue to lend to its customer irresponsibly.

There may also be other factors which could influence how detailed a proportionate check should be, for example, any borrower vulnerability or foreseeable changes in future circumstances.

When Miss D was provided with the account and when the limit was increased, J D Williams was required to understand whether she could sustainably repay the full amount it was prepared to lend.

It isn't clear to me whether Miss D is complaining about the provision of this account, when she was provided with a credit limit of £150. She appears to be complaining about the credit limit increases only. However, I can see both J D Williams and our Investigator have assessed the initial lending. For the avoidance of doubt, I agree that for the provision of this account, J D Williams' checks were proportionate and the lending fair. I say this because the credit check J D Williams carried out showed Miss D had some adverse credit, but this was historical. And given the checks showed she'd been managing her existing credit well, the evidence suggests her financial situation was stable. Considering this along with the modest credit limit of £150 being offered and the low monthly payments this would attract, I'm satisfied J D Williams wasn't wrong to lend here.

In November 2022, J D Williams increased Miss D's limit for the first time, to £300. It carried out a credit check which showed Miss D didn't have any further adverse information recorded on her credit file since she took the account out. It therefore appeared she'd been managing her external existing credit well. She'd also been managing her credit on this account with J D Williams well. I can see on average, she'd only been using about 35% of her £150 credit limit in the nine months or so between when she started using the credit and the first limit increase. She also brought her account back down to zero on a few occasions during this time, either by returning goods or making payments to clear the balance.

In January 2023, a couple of months after the previous limit increase, J D Williams increased Miss D's limit for a second time, to £500. The most Miss D had been utilising of her previous £300 credit limit was around half. There were also no payment issues on this lending and hadn't been since she'd taken out the account. She'd made payments above the minimum required. Similar to the last increase, J D Williams carried out a credit check which showed Miss D didn't have any further adverse information recorded against her.

J D Williams increased Miss D's credit limit for a third time in March 2023 to £800. In the months leading up to this increase, Miss D hadn't utilised her full limit, keeping her balance at less than half the agreed limit. She'd also maintained the payments required on the account and had made payments above the minimum required. Miss D's external credit report information didn't show any new adverse information.

Similarly, for the increase to £1,300 in April 2023, Miss D maintained her payments on the account, paying above the minimum required. And she was now only using around 34% of her full limit in the lead up to this lending. Again, Miss D's management of her external debt hadn't worsened and appeared stable.

Around 11 months later, in March 2024, J D Williams increased Miss D's limit to £2,100. Again, J D Williams' credit check showed Miss D's management of her external debt didn't appear to have worsened and she'd maintained her payments on this account, often paying above the minimum required. She'd also only utilised a small percentage of her limit; on average about 14% and never above 25%.

I know Miss D feels J D Williams ought to have done more to check she could afford this lending. But I haven't seen anything to say this ought to have been the case. I recognise Miss D has explained she had an income drop in December 2023 and I accept the reality of her situation may have been different to what J D Williams' checks had revealed. But there's nothing about the way she managed her account nor her external accounts that would have alerted J D Williams to this, nor put it on notice her circumstances may have changed before increasing her limit.

On the contrary, since taking out this credit and throughout her borrowing on this account until her limit was increased to £2,100, Miss D demonstrated she was managing her account well by making payments on time and above the minimum required – and generally not utilising anywhere near the maximum credit limit. J D Williams' checks also show Miss D was managing her external credit well. There was no other information to suggest the credit wasn't affordable for her. Whilst not an indication of responsible lending on its own, it's worth noting Miss D didn't appear to have issues managing this account and it was only when she made this complaint, that J D Williams suspended the account.

Similar to our Investigator, I also want to thank Miss D for sharing with us her ADHD diagnosis and what this means for her. But I've reached the same conclusion in that I haven't seen anything to suggest J D Williams knew – or ought to have known about Miss D's ADHD. So I'm satisfied J D Williams didn't do anything wrong by not acting on this or taking further steps to understand the impact on Miss D.

Overall, like the initial lending, I find that the checks J D Williams carried out for the credit limit increases up until and including the increase to £2,100 were proportionate and the lending fair.

J D Williams increased Miss D's credit limit for a final time, to £2,500 in June 2024. Having seen Miss D's account balances from the inception of her account, I'm satisfied her balance didn't exceed around £1,400. This means I haven't considered if this final lending decision is

fair, on the basis Miss D didn't utilise this credit limit increase. So, she won't have incurred any interest or charges as a result of it – and therefore hasn't incurred any loss either.

Finally, I've also considered whether the relationship 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 Miss D 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

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 23 December 2025.

Sophie Kyprianou
Ombudsman