

## **The complaint**

Mr M complains that J D Williams & Company Limited trading as Jacamo (Jacamo) lent to him irresponsibly.

## **What happened**

Mr M opened a credit account with Jacamo in September 2021 with a credit limit of £500. No further limit increases were provided on this account.

On 27 December 2024, Mr M complained to Jacamo with the help of a professional representative saying it had lent to him irresponsibly. Mr M said that Jacamo had failed to appropriately check whether the credit was affordable for him. He said had it completed appropriate checks then it would have seen he was already behind with payments to other creditors.

Jacamo looked into Mr M's complaint and issued a final response letter explaining it believed it had acted fairly in providing the credit. It said it had confirmed the agreement was affordable by checking the information the credit reference agencies held about him and found that there was no recent adverse information recorded.

Mr M didn't accept Jacamo's response, so he referred the complaint to our service with the help of his representative. One of our investigators looked into it, but based on the evidence available, said they couldn't reasonably conclude that the lending was irresponsible, or the relationship was unfair.

Mr M didn't accept what our investigator said, so he asked for a decision on the case. As there was no agreement, the complaint 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 done so I issued a provisional decision saying:

*"I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:*

- *Did Jacamo carry out reasonable and proportionate checks to satisfy itself that Mr M was able to sustainably repay the credit?*
- *If not, what would reasonable and proportionate checks have shown at the time?*
- *Did Jacamo make a fair lending decision?*
- *Did Jacamo act unfairly or unreasonably towards Mr M in some other way?*

*Jacamo had to carry out reasonable and proportionate checks to satisfy itself that Mr M would be able to repay the credit sustainably. It's not just about Jacamo assessing the*

*likelihood of Mr M being able to repay the credit, but it had to consider the impact of the repayments.*

*There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit and the amount of the monthly repayments.*

*Did Jacamo carry out reasonable and proportionate checks to satisfy itself that Mr M was in a position to sustainably repay the credit? If not, what would reasonable and proportionate checks have shown at the time?*

*Jacamo has explained that it carried out a full credit search to get an understanding of Mr M's situation before it decided to lend to him. It said this revealed he had no County Court Judgements (CCJs) debt management plans, bankruptcies, or IVAs. It found a default that had occurred 58 months before it's lending decision. Given its historic nature Jacamo didn't think the default indicated current financial strain or unaffordability and I don't think this was unreasonable.*

*Mr M's representative said his credit file showed a number of late payments around the time of the lending along with some accounts in debt recovery. I haven't been able to identify the late payments referred to, and this didn't show up on the credit information Jacamo gathered, so it was unaware of this. It's reasonable for a business to rely on the information it's provided with by the credit reference agencies. So, even if this information was available at the time, I can't say it was unreasonable for Jacamo to rely on the information provided to it.*

*Although the information gathered from the credit reference agencies didn't show any adverse information, I can't see Jacamo took any steps to establish what Mr M's income was. Although the level of credit here is low, I still think for a check to be considered proportionate a business should take some steps to verify what a customer's income is before lending.*

*As I haven't seen any evidence that Jacamo established what Mr M's income was, I'm not persuaded the checks here were proportionate. So, I've gone on to consider what Jacamo would likely have found if they had established what Mr M's income was.*

*Mr M has been able to provide this service with copy bank statements from the time of the lending. So, in the absence of any other evidence, I think it's reasonable to rely on these to establish what Jacamo would likely have found if it had made enquiries about Mr M's income. That said there are a number of ways Jacamo could have gained a better understanding of Mr M's income and for the avoidance of doubt, I'm not making a finding here that Jacamo needed to see Mr M's statements before lending. Rather I think it needed to verify Mr M's income before lending.*

*Having reviewed the statements I have established that in the three months before the lending, Mr M earned on average around £1,300 a month.*

*Jacamo needed to satisfy itself that Mr M would be able to repay the debt in a sustainable way, within a reasonable period. Jacamo offered a credit limit of £500. So, sustainable repayments of the full limit - allowing Mr M to repay the interest charged and part of the capital - would be around £25 representing a low proportion of Mr M's monthly income.*

*So, although Mr M didn't have a high income, the sustainable monthly repayments were low. There was also no information from the credit file data Jacamo gathered, that indicated Mr M was struggling with his finances at that time or that he would struggle to repay the credit.*

*Given this, I think if Jacamo had asked Mr M about his income, alongside the other information it gathered, it would have fairly concluded that he could afford the repayments due under the agreement. It follows then that I don't think Jacamo acted unfairly when it decided to lend to Mr M.*

*Did Jacamo act unfairly or unreasonably towards Mr M in some other way?*

*I can see that Mr M managed his account acceptably until January 2022 but after this Mr M started to miss payments. I can see that Jacamo wrote to him about the arrears and agreed an interest free repayment plan through its online portal. I think that shows Jacamo was attempting to treat him fairly and I can see it took steps to default the account when the payment plan couldn't be maintained which is reasonable. I've not seen evidence to suggest that Jacamo treated him unfairly in some other way.*

*Overall, and based on the available evidence I don't find that Jacamo has acted unfairly in this case. I'm not persuaded that Jacamo created unfairness in its relationship with Mr M by lending to him irresponsibly and I don't find Jacamo treated Mr M unfairly in any other way either based on what I've seen."*

Neither party has responded to my provisional decision with any further comments. Given no further evidence or comments have been provided, I don't see a reason to depart from my provisional decision.

### **My final decision**

My final decision is that I don't uphold Mr M's complaint about J D Williams & Company Limited trading as Jacamo for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 November 2025.

Charlotte Roberts  
**Ombudsman**