

The complaint

Mr C complains that J D Williams & Company Limited (“J D Williams”) lent to him irresponsibly.

What happened

In August 2024, Mr C successfully applied for a mail order credit account with J D Williams. He was given an initial credit limit of £175.

J D Williams increased the credit limit on this account on five occasions. The limit was first increased to £275 in November, then to £575 in December, £900 in January 2025, £1,300 in February 2025, and finally £1,500 in May 2025.

In March 2025, Mr C opened a second account with J D Williams under the Jacamo brand. This account had an initial credit limit of £300, which was increased to £400 in June and £500 in July.

In October 2025, Mr C complained to J D Williams. Following this, they suspended further spending on his accounts. Mr C has an interest free payment arrangement in place.

Mr C said that J D Williams didn’t carry out appropriate affordability checks before approving the credit limit increases. He believes this led to financial hardship and difficulty meeting repayments. He says the increases were not reasonable or affordable and encouraged him to borrow more than he could manage. Mr C wants J D Williams to refund any interest and charges he paid and to remove any negative information recorded on his credit file.

J D Williams issued its final response on 3 November 2025.

They rejected Mr C’s complaint about the first account. They said that the checks carried out were proportionate and that the lending decisions, including the credit limit increases, were fair.

For the Jacamo account, J D Williams said the checks carried out at account opening were reasonable and that the initial credit limit of £300 was affordable. However, it decided that the increase from £400 to £500 in June 2025 was not in Mr C’s best interests. Because of this, they offered to refund interest and administrative charges applied to the account from 7 June 2025, which they calculated to be £24.26. This was credited to the account. J D Williams said it could not remove any negative credit information relating to this account because the account still had an outstanding balance of around £300.

Mr C disagreed with this outcome, and the complaint was referred to our service.

An Investigator reviewed the complaint. They concluded that the checks carried out when the first account was opened were proportionate. They also considered that most of the credit limit increases were reasonable. While they felt that additional information should have been obtained before increasing the limit above £1,000, they concluded that even if further checks had been carried out, the decision to lend would still have been fair.

The Investigator also reviewed the Jacamo account. They found that the checks carried out at account opening and for the credit limit increases were reasonable and proportionate and that the lending decision was fair.

Mr C disagreed with the Investigator's findings. He says that his existing level of debt and the financial pressure he was experiencing were not properly taken into account. He believes that opening the accounts and increasing the credit limits made his financial situation worse and caused him stress.

Because an agreement couldn't be reached, 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've reached the same outcome as the Investigator, largely for the same reasons. I know this will disappoint Mr C, so I'll explain why.

I've kept in mind the regulator's rules and guidance on responsible lending (set out in its Consumer Credit Sourcebook – CONC) which lenders, such as J D Williams, need to abide by. J D Williams will be aware of these, and our approach to unaffordable/irresponsible lending complaints is set out on our website. I've used this approach to help me to decide Mr C's complaint. I won't refer to the regulations in detail here but will briefly summarise them.

The rules and regulations in place at the time J D Williams provided Mr C with the accounts required them to carry out a reasonable and proportionate assessment to make sure he could afford to repay what he owed in a sustainable way. This is sometimes referred to as an 'affordability assessment' or 'affordability check'. Being able to sustainably repay credit means that they needed to consider whether he could make repayments without undue difficulty, while being able to meet any other commitments and without having to borrow further.

There isn't a 'set list' of checks that lenders must complete, but they must be proportionate to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors. These include, but are not limited to, the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty). The checks should also consider the amount/type/cost of credit the consumer is seeking, in order to treat them fairly. The checks needed to be borrower-focused. So, J D Williams had to think not just about the likelihood of them getting the funds back, or whether Mr C met their lending criteria. They also had to consider if he could sustainably repay the lending being provided to him. I've kept all of this in mind when thinking about whether J D Williams did what was needed, before lending to Mr C.

Account One - Account opening

J D Williams completed a full credit check for Mr C as part of the application, using a Credit Reference Agency (CRA). They use this information to help them to decide whether to approve an application or not. This is because it details the overall credit commitment with other lenders and shows how this is being managed. J D Williams say their checks were adequate and in line with regulations.

The credit check showed Mr C had low levels of debt and was managing his existing credit

well. There was no evidence of CCJs, IVAs or bankruptcy. Based on this information, I'm satisfied the checks J D Williams completed were proportionate, and that it was reasonable for them to approve the account. I say this because the way he was managing his credit at the time was positive and the agreed credit limit was modest.

Account One - Credit Limit Increases

I've also considered Mr C's concerns about the changes J D Williams made to his credit limit. J D Williams say they offer a low credit limit upon the successful application for credit and monitor the account over time, introducing gradual credit limit increases to ensure these are affordable. As well as external information obtained from CRAs, J D Williams now also had Mr C's account management to assess whether or not the increases were affordable for him. On each occasion, they reviewed both internal and external affordability data before making the increase.

The first increase to £275 was made four months after the account opened. Mr C was managing the account well and making regular payments. There was no new adverse information from the CRA and affordability appeared stable.

In December 2024, J D Williams further increased the limit to £575. There was nothing that concerned them in the information they considered, and Mr C continued to make regular payments. He didn't use the higher limit until January, when he also made greater than the minimum payment.

J D Williams increased the credit limit again in January and February 2025. The CRA data showed Mr C's financial position was stable. There were no arrears or negative indicators and his account with J D Williams was being managed well. Mr C continued to make regular payments and did not rely on—or make use of—the additional credit until March.

In May, J D Williams increased the limit to its maximum of £1,500. Based on the information available to them at the time, Mr C's financial circumstances had remained consistent and there was nothing to suggest he was experiencing financial difficulty or that further checks were required.

What matters is that this information remained broadly consistent throughout the relevant period. There was nothing in the credit report or his account history during this period to suggest Mr C was experiencing any problems with managing his borrowing. He wasn't using the account up to its limit, and was making regular payments, which would indicate he was managing the account appropriately. So, it follows that I think J D Williams's checks were proportionate and a fair decision to lend was made at the point of each increase.

Account Two (Jacamo) - Account opening

When Mr C applied for the second account J D Williams again completed a full credit check in order to assess his application. The CRA information was consistent with earlier findings, showing low levels of debt and no adverse credit markers. The limit was modest and I'm satisfied the checks they completed were proportionate. And I think a fair decision to lend was made here.

Account Two (Jacamo) - Credit Limit Increases

J D Williams made two increases to the credit limits on this account, the first in June to £400 and later to £500 in July. On each occasion, they reviewed the manner in which Mr C was managing his accounts with them and also conducted further credit checks via the CRA. The CRA information remained consistent with earlier checks, and Mr C continued to manage his

accounts satisfactorily.

Mr C did not use the additional credit to its full extent and the maximum balance following both increases was around £378. So, it follows that I think J D Williams made proportionate and fair decisions to lend at the point of both of these increases too.

While I'm sympathetic to the financial difficulties that Mr C has described, there's nothing to suggest that J D Williams would reasonably have been aware of this at the time of lending or when they increased his credit limits. I appreciate that being in debt can make things more difficult. I want to reassure Mr C that I've considered everything he's raised. I don't need to address each point individually for him to understand the reasons for my decision. What matters is that, taken together, the evidence doesn't show J D Williams treated him unfairly.

In reaching my conclusions, I've also considered whether the lending relationship between Mr C and J D Williams might have been unfair to Mr C under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that J D Williams did not lend irresponsibly when providing Mr C with either of these accounts, or by increasing his credit limits. And I haven't seen anything to suggest that s140A of the CCA would, given the facts of this complaint, lead to a different outcome here.

While I appreciate this will be disappointing for Mr C, my final decision is that J D Williams did not act unfairly when providing these credit accounts or increasing the credit limits. So, I won't be upholding his complaint for the reasons I've explained above. I would however remind J D Williams of their ongoing obligation to treat Mr C fairly, and with forbearance.

My final decision

I don't uphold this complaint against J D Williams & Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 May 2026.

Alison Wharton
Ombudsman