

## **The complaint**

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

## **What happened**

Mr S applied for a shopping account with J D Williams in November 2017. He was accepted and given a credit limit of £125. Mr S didn't use his shopping account until July 2020. After that, J D Williams increased his credit limit several times until, in November 2021, it was £1,900.

In 2023, Mr S complained to J D Williams about the provision of the credit. Mr S said that J D Williams shouldn't have lent so much to him and that it shouldn't have increased his credit limit. He says it didn't take account of his financial situation at the time. He says J D Williams didn't check properly that it was affordable for him and that he has struggled with debt as a result.

Our investigator didn't uphold Mr S's complaint. They didn't think J D Williams had done anything wrong in its lending decisions.

Mr S disagreed. He told us that he had a County Court Judgments outstanding at the time he applied which J D Williams should have seen and refused to lend to him as a result.

Our investigator considered this information and concluded that they still thought J D Williams hadn't done anything wrong. Mr S didn't agree with this conclusion. As Mr S did not agree the complaint has been passed to me to make 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.

We've set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice - on our website and I've taken that into account when considered Mr S's complaint.

Having done so, I've come to the same conclusion as our investigator. I'll explain why I've reached this conclusion.

J D Williams needed to take reasonable steps to ensure it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr S could afford to repay what he was being lent in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amount, Mr S's borrowing history and his income and expenditure.

J D Williams reviewed Mr S's credit file before it opened Mr S's account. It says this showed that it was reasonable to lend to Mr S in the way that it did.

I can see from the check that J D Williams saw that Mr S had a County Court Judgment (CCJ) about 19 months before the application. There was no other negative information, and it seems that Mr S was otherwise managing his finances well. J D Williams offered Mr S a very low account opening limit of £125, sustainable repayments on which, if Mr S had utilised the full limit straightaway, would have been about £7 a month.

Mr S said in his initial complaint to J D Williams that he had two CCJs at the point of application. I haven't seen evidence to support that. Mr S also says that one of these CCJs was in relation to a debt he had with J D Williams of almost £3,000 which he says was sold on to another business. But he hasn't been able to provide evidence of this or confirm when the CCJ was made or in whose favour it was made. I think it's most likely that this relates to the CCJ J D Williams noted 19 months earlier and so it took this into account when making its lending decision.

On the basis of the information I have available to me I think J D Williams completed reasonable checks when it offered Mr S an account and I think it acted reasonably on the outcome of the checks it completed.

As already explained, Mr S didn't use his credit until several years later. He first used the account in July 2020. Over the following months his credit limit was increased a number of times until, in November 2021, it was £1,900 where it remained until Mr S made his complaint.

Looking at the credit limit increases to March 2021, when it was £1,250, I think J D Williams completed appropriate checks and acted reasonably on the outcome of those checks. Sustainable repayments on the full credit provided would have been around £63 a month. Mr S had been consistently overpaying his minimum repayment amount up to this point by a factor of five. There was no detrimental information on Mr S's credit file.

Mr S's credit limit was increased to £1,900 in November 2021. At this point I think the size of the increase warranted J D Williams making further enquiries about Mr S's financial circumstances before it agreed the increase.

I can't know with any certainty what J D Williams would have seen if it had made further checks. There is no prescriptive list of checks a business should do. I think in the circumstances it's reasonable to rely on the information Mr S has provided to this service in the form of his bank statements from around the time of the increase.

Having reviewed these I can see that Mr S had a regular income and was maintaining his repayments. There was no evidence of financial difficulty – for example, there were no direct debits returned unpaid, or payday lending. He was not incurring regular charges or fees in relation to his credit, and he wasn't persistently using his overdraft.

Had J D Williams asked for this information at the time of the increase I don't think it would have seen anything which might have caused it to consider Mr S wouldn't be able to sustainably repay his borrowing. So, I don't think J D Williams did anything wrong when it increased Mr S's credit limit.

So, on balance, I think J D Williams acted fairly by lending to Mr S in these circumstances and I don't think Mr S lost out as a result of anything J D Williams did wrong.

I understand that Mr S is struggling to meet his repayments now, and that J D Williams are aware of this and have offered some assistance. I haven't looked at this matter as part of this complaint but if Mr S considers that J D Williams hasn't acted fairly in the way it has dealt with him in relation to that issue, he should make a formal complaint to J D Williams. If Mr S is not satisfied with J D Williams's response to that complaint, Mr S can bring a further complaint about that matter.

### **My final decision**

For the reasons I have set out above I do not uphold Mr S's complaint. It follows that J D Williams & Company Limited does not have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 May 2024.

Sally Allbeury  
**Ombudsman**