

The complaint

Mrs E complains that J D Williams & Company Limited, trading as Fashion World ("J D Williams"), lent to her irresponsibly.

What happened

Mrs E applied for a shopping account with J D Williams in September 1996. It's not clear what her credit limit was at the time, but we know that in March 2009 it was £2,600. In June 2009 it was increased to £3,000 and then to £3,500 in September 2014.

Mrs E complained to J D Williams that the lending had been unaffordable for her.

J D Williams explained that it didn't have any information available earlier than March 2009. But it had reviewed the lending decisions it made on Mrs E's account from that point onwards. It upheld Mrs E's complaint in relation to the June 2009 and September 2014 credit limit increases. It refunded Mrs E the interest and charges which had been applied to balances above £2,600.

Mrs E was not satisfied with the outcome of her complaint, so she brought it to this service. Our investigator thought that J D Williams's offer was fair, but Mrs E disagreed.

Our investigator looked at her case again but didn't agree with Mrs E.

As Mrs E didn't agree with the investigator's view, her 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 Mrs E's complaint.

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

This service only has the power to review complaints about this type of lending where the lending decision was made on or after 6 April 2007. That is the date when this type of consumer credit became subject to this dispute resolution process. So, I can only look at the *decisions* made by J D Williams after 6 April 2007. And J D Williams has already agreed to uphold Mrs E's complaint about unaffordable lending from June 2009 when it was increased from £2,600.

This means I only need to review the merits of any lending decisions made before that. In this case, I don't know what decisions were made between when the account became regulated in April 2007 and the beginning of records held by J W Williams in March 2009. And Mrs E hasn't been able to provide evidence that any lending decision was made between those dates, either. So, I can't safely or fairly say that J D Williams did anything wrong at a point when its activities were regulated before March 2009.

Mrs E's substantive complaint, though, is about the calculation of the redress J D Williams should pay in relation to the complaint that it had already upheld before Mrs E brought her complaint to this service.

Mrs E says that she was making large payments each month and had been paying at least £100 in interest each month. She is not satisfied that the redress paid by J D Williams reflects her actual loss.

It may help if I explain our approach to redress. When a complaint is upheld this service tries to put a consumer back in the same position they would have been if the act complained about hadn't happened.

In this case, the effect of the increase in Mrs E's credit limit increase in June 2009 was to provide her with £400 more credit. And in September 2014 it was increased again by a further £500. The total at that point was £3,500. In total, the increases complained about resulted in Mrs E's credit limit increasing from £2,600 to £3,500.

This means that J D Williams only has to refund interest and charges it imposed on balances which Mrs E built up above £2,600. This is because I have not been able to fairly say that any lending decisions up to that point were inappropriate or unfair.

So, while I appreciate that Mrs E has been (and is still) paying large amounts in interest and charges, those charges only relate to balances incurred up to the limit of £2,600.

Having reviewed J D Williams' approach to redress carefully, I am satisfied that it has acted fairly. So, I don't award Mrs E any more compensation.

My final decision

For the reasons I have set out above I do not uphold Mrs E's complaint. It follows that J D Williams & Company Limited does not have to do anything further, having already paid appropriate compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 13 November 2023.

Sally Allbeury
Ombudsman