

## **The complaint**

Mr P complains about the way J D Williams & Company Limited trading as J D Williams administered his catalogue shopping account.

## **What happened**

In early 2023, Mr P ordered items using his J D Williams catalogue shopping account. Mr P said that around the time the items were due to be delivered, he noticed the courier responsible for delivering them had taken a picture of a green bin as proof of delivery. Mr P said in February 2023 the courier confirmed it was a 'non-compliant delivery' and directed Mr P to get in touch with J D Williams for 'next steps'.

Mr P said he contacted J D Williams and was told on 19 February 2023 that it would re-credit his account with the cost of the order within 7 days.

After not receiving the credit Mr P contacted J D Williams again on 26 February 2023 and made a complaint. On 1 March 2023 J D Williams said the relevant team would process the credit and it should show online within 24 hours as well as on Mr P's next monthly statement.

J D Williams has said the request for the credit to be made was not actioned. As a result, it asked Mr P to start making repayments for the items.

Mr P brought his complaint to this service. After this, in May 2023, J D Williams wrote to Mr P and confirmed that none of the items he'd ordered had been delivered properly. It said it would re-credit Mr P's account and reinstate his £150 credit limit. It said it would also instruct the credit reference agencies to remove any late payment markers from the account. J D Williams sent Mr P a cheque for £25 to apologise for the distress and inconvenience it had caused him.

Dissatisfied with this response Mr P asked us to continue to look into his complaint.

An investigator didn't think J D Williams needed to do any more than it already had. She said that some of the things that Mr P was complaining about were retail activities carried out by J D Williams' rather than credit related activities. She didn't think she could ask J D Williams to pay compensation to Mr P in respect of any failures there may have been in respect of those activities as they were not regulated activities and this service couldn't consider complaints about them.

Mr P disagreed with the investigator and asked an ombudsman to review his complaint.

## **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.

To elaborate on what the investigator has explained, our rules generally only permit us to consider complaints about specific kind of activities. Regulated activities and activities ancillary to them being examples. Having the right to exercise the lender's rights and duties

under a regulated credit agreement is a regulated activity. Mr P's catalogue shopping account was a regulated credit agreement.

The fulfilment of orders and decisions as to whether to provide a refund on an order were not the exercising of rights or duties under a regulated credit agreement in this case, nor ancillary to that activity. I say this because Mr P's credit agreement placed no duties on J D Williams to fulfil orders or to make refunds if there were problems with those orders. And those kind of activities did not provide the necessary support to the main activity.

That being said, if J D Williams decided in this case that a refund was due on an item as part of its retail processes, and was not paying it directly to Mr P then it seems reasonable for it to have taken appropriate action in respect of his credit agreement once that decision had been made – such as recrediting the account with the sum of the order for example.

J D Williams has said that missing parcel claims are investigated and resolved in line with its retail processes and the delay in providing the refund was caused by a failing in this process. It said the retail process had no connection to the credit agreement and the same process is followed for non-credit customers also.

I asked J D Williams to provide some evidence of this separation in this specific case and evidence that the error lay strictly within its retail process. It said its customer service team escalated a request for a refund after it told Mr P it would refund him in March 2023 but it was not actioned in line with the retail process due to an adviser error.

From everything I've seen, it's not clear enough to me that the error was strictly related to J D Williams's retail processes. For example, when J D Williams contacted Mr P in March 2023, it had seemingly already made the decision to refund him under its retail processes. But it also told him a refund would reflect on his next statement – seemingly in reference to his catalogue shopping account/credit agreement. It appears that only in its capacity as a lender could J D Williams make the decision to amend Mr P's catalogue shopping account to reflect a refund on an order he'd used credit to purchase and hadn't yet repaid.

On that basis, even though J D Williams was not obliged by the terms of the credit agreement to refund the catalogue shopping account, I think in making a promise to Mr P to adjust the account, it was carrying out activities related to the administration of the credit agreement. In other words it was exercising its duties under a regulated credit agreement. So, a failure to carry out the actions it promised in reasonable time, is something I can consider a complaint about. What this means in this case is that I can consider whether J D Williams has done enough to put things right.

J D Williams has adjusted Mr P's account to reflect the refund, restored Mr P's credit limit, confirmed it would instruct the credit reference agencies to remove any adverse information and paid him compensation of £25. Mr P remains unhappy with the compensation aspect of these remedies.

I've thought about the impact of the error on Mr P. It would no doubt have been frustrating to be asked to pay for items that the same company had already told him it would refund. And it took J D Williams longer than it should have to make the adjustment to the account that it promised it would make – leading to Mr P having to keep contacting it to find out what was going on.

Looking at everything in the round however, (including the fact that some of J D Williams's errors did relate to its retail processes and the fact it was not obliged by the terms of the contract to refund Mr P), I find it has treated him fairly in the way it has put things right and doesn't need to do anymore than it already has.

I understand Mr P has been unable to make purchases on his account since he made his complaint because J D Williams is 'reviewing' the account. This wasn't part of Mr P's original complaint so I've not considered it in my decision. If however Mr P is unhappy with J D Williams handling of that matter, he is free to pursue things in the same way he did with this complaint.

### **My final decision**

For the reasons I have explained I do not require J D Williams to do any more than it already has.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 August 2023.

Michael Ball  
**Ombudsman**