

The complaint

Mrs C is unhappy that JAJA FINANCE LTD (“JaJa”) closed her credit card account despite her wanting to keep it.

What happened

On 17 March 2023, JaJa e-mailed Mrs C saying they had decided to discontinue the credit card she held with them. They told her the account would automatically close on 24 May 2023.

Mrs C complained to JaJa as she wasn’t happy with their decision. She said she’d held the card for over 20 years and had never been in arrears or missed a payment. JaJa didn’t uphold the complaint and said they hadn’t chosen to close the account because of how she had used it; rather it was because they had chosen to discontinue the product.

Our investigator didn’t uphold the complaint. He said JaJa had acted in line with the terms and conditions of the account by giving Mrs C two months’ notice that they would close it. He also said JaJa had made a commercial business decision to discontinue the product and that they had acted fairly.

Mrs C didn’t agree and said her mother had the same credit card and account and hadn’t been told this was being cancelled. Mrs C felt JaJa’s decision was prejudicial against her.

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.

I understand why Mrs C isn’t happy with JaJa’s decision to close her credit card and account. However, I don’t think JaJa has acted unfairly or with prejudice towards her.

I’ve considered the basis on which JaJa invoked the terms and conditions of the credit card account to make their decision. I’ve looked at the terms and conditions and these say under clause 13.4 that:

‘Unless there are exceptional circumstances or unless you are in breach of this Agreement, we can end this Agreement at any time by giving you at least two months’ written notice. The Agreement will then terminate at the end of the period of two months beginning with the day after the day on which we give you notice’.

The term in question set out that JaJa could choose to end Mrs C’s credit card account. And I’ve seen that they gave her two months’ notice before they closed it. So, I’m satisfied they acted in accordance with the terms and conditions of the account.

Ultimately, it’s for JaJa to decide whether they want to discontinue a particular product and it’s not for me to say otherwise. The caveat to that is if JaJa treated Mrs C unfairly in making that decision. However, I’ve not been persuaded they did act unfairly towards her.

I realise that Mrs C feels this decision was prejudicial to her. However, I've noticed there are online consumer forums where customers of JaJa have highlighted they were told their accounts would be closing with the same notice period Mrs C was given. I've also seen that those customers had credit cards that had previously been issued by the same business that issued Mrs C's card (before JaJa acquired those cards and accounts). So, with this in mind, I don't find that JaJa acted prejudicially towards Mrs C as there's information online that shows that many others were affected by the same issue.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 29 December 2023.

Daniel Picken
Ombudsman