

## **The complaint**

Ms S is unhappy with how Shop Direct Finance Company Limited trading as 'very' handled her catalogue shopping account.

## **What happened**

In 2015, Ms S took out a catalogue shopping account with very. In mid-2017, Ms S was struggling financially and received some administration charges for missed payments. She contacted very in August 2017 and it agreed for her to start a two-month payment plan, where she paid £15 a month instead of the minimum payment due.

Ms S made the £15 payment in August and says she also made the September 2017 payment. However very only has a record of the August payment being received. Ms S paid a further £15 in October 2017 and another £15 in January 2018. In February 2018 very issued Ms S with a Default Notice and as her account wasn't brought up-to-date at this time, it defaulted the account and sold the debt to another company.

Ms S complained that she did make the September 2017 payment. She also said she made other payments to the account in 2018 and 2019 which hadn't been credited to towards the debt. She said the debt was sold on illegally and that her personal information was shared with the debt purchaser without her consent. She wanted the missing payments traced and her credit file updated, as well as the debt purchaser to stop harassing her for the money.

very didn't uphold Ms S's complaint. It said it hadn't received any proof that she'd made the September 2017 payment, such as a bank statement. It explained that as she hadn't contacted it to make any further arrangements when the payment plan ended, she needed to make minimum payments again – not only pay £15. So as she hadn't made the September payment and had only made two £15 payments between October and February 2018, she had missed six months of payments by February 2018, so this is why the account was defaulted. And it referred to its privacy notice which set out how it used Ms S's data. It did however locate four payments Ms S had made to it after the account was sold, so it said it had passed these on to the debt purchaser to reduce Ms S's balance.

Ms S didn't agree with the outcome, so brought her complaint to our service. Our investigator didn't uphold the complaint. She said she hadn't seen any evidence from Ms S that she had made the September payment. And she said that very had dealt with the debt correctly, considering the missed payments on the account. Ms S asked for an ombudsman's 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.

Both very and our service have asked Ms S for a bank statement to show she made the September 2017 payment, but she hasn't provided this. I've seen the 'proof of payments' Ms S has provided, but none of these £15 payments are dated September 2017. very has

been able to show its records for Ms S's account and these don't show a payment being received in September 2017. So without any supporting evidence from Ms S, I can't find that she did make this payment.

I've seen a copy of the response letter very provided to Ms S in August 2017, when the payment arrangement was set up. And this letter confirms the arrangement would be ending in September 2017. There aren't any records of a further payment arrangement being made and Ms S also hasn't said this happened. So I accept that from October 2017, Ms S was required to be making *at least* the minimum required payment to her account again, which was more than £15 each month. And from her statements and the payment evidence she's provided, I can't see she did this.

Ms S wants her credit file updated to show the missing payments she made. But while I accept she did pay some money towards the account from October 2017, she didn't pay enough to meet her contractual requirements. So this means she did miss the agreed payments and her credit file should reflect this. I can't comment on Ms S's relationship with the company that bought the debt. So it's for her to contact it and discuss how it has reported the debt from March 2018 and whether the payments she made to very after this date change things. But I would say that unless she did agree a payment plan with it for £15 or less, which the letters she's sent us don't suggest, then it's also unlikely to change how it's reported her payments on her credit file.

I've also considered the default that is registered on Ms S's credit file. But very has shown that it issued Ms S with the required default notice. And neither the payment records very has nor Ms S's own records show she repaid the debt or engaged with very following this notice. So I'm satisfied this has also been correctly applied to her credit file.

Ms S says the debt was illegally sold on by very. However, the terms and conditions she agreed to when she applied for this account set out that very can transfer its rights and obligations under the agreement to another party. So it is able to sell the debt on. And, as our investigator has explained to Ms S, the privacy policy she agreed to also sets out that her personal information can be transferred to a debt purchaser. So I'm satisfied that very hasn't illegally – or unfairly – sold on this debt or incorrectly passed on Ms S's details.

I appreciate Ms S has also raised concerns with the way the debt purchaser has been contacting her about the amount owed. But as very has sold the debt and has passed on the funds it has located to this third party, I don't consider it needs to do anything more. Ms S will need to engage and cooperate with the debt purchaser now, as it owns this debt and very isn't responsible for the actions of this other party.

While I appreciate there were payments made to very that weren't passed to the debt purchaser initially, these have now been located and credited to the account. And very has also refunded the interest that was overcharged due to the payments not being credited to the account at the time they were made. I haven't seen any evidence that other payments were made, and I think very has correctly handled Ms S's data and her debt.

### **My final decision**

For the reasons set out above, I don't uphold Ms S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 30 December 2020.

Amy Osborne

**Ombudsman**