

The complaint

Ms F complains Shop Direct Finance Company Limited trading as Very didn't provide clear information about the repayment method for goods she purchased on its website; and that she received poor customer service during its handling of her complaint.

Ms F is represented on her complaint, but for ease I'll refer to all submissions as if they are her own.

What happened

Ms F thought she'd purchased goods through her Very account in November 2020 on a 'buy now pay later' (BNPL) basis; but was told she wasn't eligible for this repayment basis when later looking for confirmation of this. She complained to Very about this; and its handling of her complaint. Very reviewed her concerns and didn't uphold her complaint.

Ms F brought her complaint to our service for review and our investigator didn't uphold the complaint. He said Very had acted within the terms and conditions of her Very account; and he said he couldn't consider the complaint handling aspect of Ms F's complaint as it wasn't a regulated activity.

As Ms F didn't agree with our investigator's outcome the complaint was passed to me to decide.

I recently issued a provisional decision where I set out, with reasons, my initial thoughts on this case and what I was intending to decide. The following is an extract from that provisional decision:

"I've gone on to consider each aspect of Ms F's complaint under different headings for ease.

The repayment basis for the purchase

When making this purchase in November 2020 Ms F opened a new Very account. Both parties appear to agree Ms F previously held a Very account, but Very has said due to inactivity it became dormant.

While going through the online process to open the account Very says Ms F was presented with its terms and conditions which Ms F needed to agree to before the account could be opened. Very has provided this service with details of the process Ms F would have gone through, and I'm satisfied as part of opening the Very account she was directed to confirm she had read the associated terms and conditions. So, I've gone on to consider what these terms and conditions say, to consider what Very would reasonably be expected to do in relation to possible payment options.

Section 12 of the terms and conditions titled 'Payment Options' states:

'Your account combines a number of different payment options to offer you flexibility in using your account. Some of these options may be offered to you when you make a particular purchase and some can be chosen by you when you make a repayment.'

This section goes on to state specifically in relation to BNPL:

'We may from time to time offer an option to purchase items on BNPL terms.'

So, as our investigator has said, the terms and conditions indicate that the BNPL payment basis is something Very may offer – but isn't ever a guaranteed repayment option. I note this exact same information is provided within the credit agreement Ms F electronically signed when opening the account. So, I consider she ought reasonably to have been aware that repayment on a BNPL basis is not a guaranteed option.

In Ms F's testimony to this service she's said there were no payment options presented to her when making this purchase, which was part of the reason she contacted it the following working day.

Very has said it doesn't know why Ms F would not have been provided with payment options when completing this purchase. Neither party have been able to provide screenshots of what Ms F saw when completing the purchase and what payment options were or weren't presented. But Very has provided this service evidence of Ms F's footprint on its website when completing her purchase. These records appear to show Ms F looking at possible payment options, and that she accessed the BNPL details on its website. But it shows she purchased the goods under what it calls the 'standard facility' on her Very account.

The copy of the credit agreement Ms F electronically signed when opening the account shows she was approved with a standard facility credit limit of £750 and an Annual Percentage Rate (APR) of 39.9%. So, on balance, and based on the evidence I currently have, I consider it more likely Ms F ought reasonably to have been aware she was making this purchase on the terms of the standard facility.

I've listened to all of the phone calls our service has been provided with. In Ms F's first call to Very the next working day after the purchase, and in all subsequent phone contact with Very, it is confirmed that the purchase was made on the standard facility basis – and that at the time she didn't have the ability to purchase the goods on a BNPL basis. So, even if Ms F wasn't aware of the payment terms she purchased the goods under at the point of sale, I'm satisfied Ms F became aware at the earliest opportunity that she hadn't purchased the goods on a BNPL basis and could take steps to cancel the order if she was unhappy with this,. So, while Ms F may not have accepted that she couldn't repay the goods on a BNPL basis, I don't consider Very acted unfairly here. It's Very's commercial decision to decide who it lends to and on what basis; and as I've already found above, its terms and conditions, applicable to all its customers, state it may offer BNPL – and therefore it is never guaranteed.

In the calls Ms F was told the BNPL facility is reviewed on a rolling 28-day basis once she enters a new statement period – so she could look to review her payment options and whether BNPL was a facility available to her at the next statement period, if she wished.

Cancelling the order

Ms F has said she was provided conflicting information when looking to cancel her order.

Having listened to the phone calls I agree Ms F was provided with different information in different calls. While I agree with our investigator that it comes across that Very's

representatives were trying to help, it should have given Ms F correct information from the beginning.

It appears the correct information Ms F should have been given was to accept the order and then arrange a return. I say this because one of the representatives dealing with Ms F's complaint said that the information she was initially provided was 'information that we don't normally provide as a business, it's not the information that we aim to provide'.

So, I'm satisfied Ms F was provided with conflicting information and I can understand her frustration with this. Ms F's expectations had been set and Very changed its approach – and informed her that she would be liable for the goods if they weren't returned via this approach, now that she had been made aware of it.

I think it's clear that this conflicting information did cause Ms F further distress, during what was clearly an already stressful time for her. And I think this became more apparent to Very as her complaint journey progressed (which I've detailed below).

Our jurisdiction to look into Very's handling of the complaint

The activities our service can consider are set out under the Dispute Resolution: Complaints (DISP) section of the Financial Conduct Authority's (FCA) handbook – details of which can be found online.

DISP 2.3 sets out the activities we can consider about Very under our Compulsory Jurisdiction. Our investigator explained complaint handling itself is not a regulated activity, and as such he didn't think we could consider this part of Ms F's complaint.

However, complaint handling is considered an ancillary activity carried on by the firm when in connection to the firm carrying on a regulated activity. As such, and as Ms F still has an ongoing dispute about the way the goods were purchased and how to cancel the order (which is a regulated activity), I'm satisfied the complaint handling part of her complaint does fall within this service's jurisdiction. As such I've gone on to consider the level of customer service Ms F received during her complaint.

Ms F has said Very offered her compensation as part of its resolution of her complaint; but this has not been forthcoming, and that Very now dispute this.

During one of the later calls the Very representative says, 'It's quite clear you've been given poor service...so you'll be given an offer of compensation for that.'

I consider an expectation was set and I can understand why Ms F was expecting to receive a payment in order to acknowledge the distress and anxiety the conflicting information caused.

Putting things right

Ms F has said that the whole situation and complaint process caused her distress and anxiety. As I've found above, while I don't think Very made an error when not providing Ms F with the facility to purchase the goods on a BNPL basis; I do consider it should have provided a better level of service during its phone calls and in its handling of her complaint.

I've also noted that Very became aware during the complaints process that Ms F has a health condition which makes dealing with situations like complaints more difficult for her than it would be for the average customer. As such, I consider it was on notice that it might need to adapt how it dealt with Ms F, as she was likely to suffer more distress than the

average customer in this situation. This information was available to Very prior to its internal referral to its head office for further investigation and before its final response was issued.

Therefore, I'm intending to award £150 to reflect the increased level of distress and inconvenience Very's failings caused Ms F."

Very accepted my provisional decision. Ms F responded and said she agreed that £150 fairly reflected the level of service she'd received during the complaint process. Ms F provided a copy of an email she received from Very which she says further supports her position that she understood she'd purchased the goods on a BNPL basis.

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've carefully considered the additional information Ms F has provided; but it doesn't lead me to reach a different conclusion to that of my provisional decision.

I say this because the email Ms F has provided appears to be a welcome email following the opening of her Very account. The email provides Ms F with different repayment options under her Very account; but provides no guarantees that these will be available to her. And as I explained in my provisional decision, the terms and conditions of Ms F's Very account do state that BNPL isn't a guaranteed repayment option.

In any event, Ms F was aware of the repayment basis of the purchase the next working day; and was provided the same answer to this part of her complaint multiple times over multiple phone calls with Very.

So, I still consider Ms F was aware at the earliest opportunity that she hadn't purchased the goods on a BNPL basis, and while she didn't accept this outcome, she was in an informed position to take any action she wanted to in the knowledge of this information.

As Ms F has accepted my findings in relation to the £150 for Very's handling of her complaint; and Very has accepted my provisional decision, I see no reason to depart from it.

Ms F was provided with conflicting information on a number of occasions in phone calls about how to return the goods; and in relation to an award for the handling of her complaint. I consider this added to an already distressing situation for Ms F; taking into account that Very also became aware during the complaint process of Ms F's health condition, which makes dealing with situations like complaints more difficult for her than it would for the average person.

Putting things right

To settle Ms F's complaint Shop Direct Finance Company Limited trading as Very should pay her £150 for the distress its complaint handling failings caused her.

My final decision

For the reasons set out above I'm uphold Ms F's complaint about Shop Direct Finance Company Limited trading as Very and require it to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 24 November 2022.

Richard Turner
Ombudsman