

## **The complaint**

Mr B complains that Shop Direct Finance Company Limited trading as very ("very") unfairly ask him to repay lending for goods he says were returned.

## **What happened**

Mr B used his account with very to purchase a cooker on 6 July 2020. It was delivered to Mr B on 14 July 2020, but the next day he asked very to arrange for it to be returned as it wasn't the correct model.

Very subsequently credited the cost of the cooker to Mr B's account. Mr B says that the cooker was then collected and he purchased a replacement.

Mr B says he became aware that very had reapplied the cost of the cooker to his account in August 2021. He raised a complaint with it because he maintained that the cooker had been returned.

Very responded to Mr B's concerns in October 2021. It said that the charge had been reapplied because the supplier had told it the goods were not collected from Mr B. Very said that it wouldn't refund the cost of the goods unless Mr B provided proof they'd been returned.

Mr B referred the matter to this service. Our investigator was persuaded by Mr B's version of events and didn't think it reasonable to expect him to provide evidence the goods had been returned. They weren't persuaded by the evidence very had provided and therefore asked it to refund the cost of the goods and pay Mr B £100 compensation for the trouble and upset he'd been caused.

Very didn't agree. It said an email had been sent to Mr B on 22 August 2020 asking him to provide more information about the goods he'd received. As he didn't respond to that, collection of the goods was not arranged with the supplier. It said it had carried out an investigation in August 2021 during which it established Mr B had kept the goods, so the cost was reapplied to his account.

The case has been passed to me to decide what should happen.

## **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.

Mr B's complaint is about whether very has acted reasonably in attempting to collect sums under a running account credit facility. That's a regulated agreement and one which this service has the power to consider a complaint about it.

When the evidence is incomplete, inconclusive or contradictory (as it is in this case), I make my decision on the balance of probabilities – that is, what I think is most likely to have happened given the available evidence and the wider circumstances.

From what's been said I think very accepts that Mr B was entitled to return the goods he received. I know it's questioned whether the correct model had been received in the first instance, but that would be difficult to establish now that things have moved on. In my view, the issue at the heart of this complaint is whether it's more likely than not that the goods were collected by the supplier.

Like our investigator, I don't think it's reasonable to assume – as very has in this case – that the goods weren't collected, unless Mr B can demonstrate otherwise.

I say this for two reasons – firstly, I find it plausible that the goods could've been collected without Mr B having been given a receipt. Secondly, very's investigation into what happened and its reapplication of the cost of the cooker took place around a year after the event. Given the time that had passed, I think it's understandable that Mr B has little evidence to demonstrate the goods were collected. I think it'd be unreasonable to expect otherwise.

Conversely, I think there's a reasonable expectation for very to provide accurate and detailed records regarding what happened. Particularly as it is relying on those records to demonstrate why it's acting fairly in requiring Mr B to repay the lending it provided.

The evidence we've been given shows very told Mr B on 15 July 2020 that the collection of the goods had been arranged. And then, on 22 August 2020 he was asked to provide the model number of the goods he received. Significantly, and importantly, I'm satisfied that was all the message asked of Mr B. It didn't give the impression that the goods wouldn't be collected if he didn't respond, for example.

Very's told us that the supplier confirmed that the collection didn't take place. The supplier told our investigator it couldn't find record of the collection taking place, but the order and installation was cancelled. I'd usually expect to see evidence relating to this – for example, some kind of audit trail of the collection being cancelled after having been arranged, but we've been provided very little in that respect. It's also not clear what happened in the month or so it took for very to ask Mr B to provide details of the model, or during the year it took to reapply the lending.

In addition to the above, if the collection had taken place it would've happened during a global pandemic – at a time I'm aware that usual collection processes, particularly in relation to procuring evidence of delivery and collection, might have been changed so as to minimise contact. So, like our investigator, given the above, I find that it's plausible records of the collection could be incomplete.

Overall, I've found Mr B's version of events to be plausible, persuasive and consistent. I think there's sufficient reason to doubt very's version of events, particularly due to the time which passed between the proposed collection and its reapplication of the lending. In summary, I'm not persuaded that very is acting reasonably in asking Mr B to repay the lending it provided for the cooker. Like our investigator, I find that very hasn't treated Mr B fairly and it ought to pay him £100 compensation for the trouble and upset he's been caused by that.

### **My final decision**

For the reasons explained above, my final decision is that Shop Direct Finance Company Limited trading as very must;

- Rework Mr B's account as though the charge for the cooker had not been applied. If the rework results in a credit balance, this should be refunded to Mr B along with 8% simple interest per year\* calculated from the date it would've been created to the

date of settlement; and

- Pay Mr B £100 compensation for the trouble and upset he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 October 2022.

\*If Shop Direct Finance Company Limited trading as very considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Stephen Trapp  
**Ombudsman**