

The complaint

Mr F is unhappy with the interest (SDFC) applied to his running credit account.

What happened

In May 2022, Mr F used his SDFC account to make a purchase totalling £706.28. This was made using 12-months Buy Now Pay Later (BNPL) terms. This meant Mr F had to repay the full amount by 22 May 2023 for no interest to be applied.

On 25 May 2023 Mr F called SDFC as interest had been applied to his account and he wasn't sure why this had happened. The advisor explained that £300.24 in interest had been applied as Mr F hadn't repaid the 12-month BNPL purchase he had made before the deadline. The advisor also said the deadline for interest to not apply was detailed on Mr F's monthly statements.

Mr F was unhappy with this and said the communication regarding this from SDFC had been poor and it was very unfair for that amount of interest to be applied given this. Mr F also explained that he is dyslexic and therefore not able to read the small print that gave the deadline. His call was then passed to the credit complaints department.

The advisor at the credit complaints department said the deadline for interest to not apply was visible on the statements and in Mr F's SDFC mobile app, so therefore a refund of the £300.24 interest wouldn't be provided. It was noted by SDFC that Mr F has dyslexia and agreed that a Summary Resolution Communication (SRC) would be issued, so that Mr F could refer his complaint to the Financial Ombudsman Service.

Mr F brought his complaint to our service and said that he was confused with when the BNPL expired and due to his dyslexia required large print communication to avoid situations such as this. Mr F also said when he explained his dyslexia on the call the advisor didn't seem to care, and Mr F said he heard laughter in the background.

One of our investigators considered the complaint and said that it wasn't until after the interest had been applied that Mr F made SDFC aware he has dyslexia. Therefore, when it notified him of the deadline for interest to not be applicable, it did so correctly. The investigator said that as the deadline had been missed, SDFC hadn't made an error in applying the interest. Lastly the investigator confirmed that SDFC was now aware of Mr F's dyslexia and should make reasonable adjustments moving forward. If it doesn't then Mr F could raise a new complaint regarding that.

Mr F didn't agree and said once SDFC were aware of his dyslexia and the impact this has on him processing information, it should have refunded the interest. Mr F said that prior knowledge of a disability doesn't exempt a company from discriminating. In this case he feels SDFC have discriminated him by applying the interest, when he had explained it was his dyslexia that had caused the oversight in missing the deadline. Mr F also said that since being aware SDFC had issued two further letters that weren't in the large print he had requested.

As Mr F remains unhappy, the complaint has been passed to me to decide.

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 would like to point out I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When making the purchase in question, Mr F did this online and selected the 12-month BNPL terms. SDFC wasn't involved in this process. If Mr F wasn't clear on the type of finance he was agreeing to, then I would've expected this to have been raised at the time with SDFC. In his complaint form to our service Mr F says he believed the deadline to repay without interest being applied was 27 May 2023 and not 22 May 2023. This would suggest he was aware that he had taken out a 12-month BNPL agreement and knew there was a deadline.

I've looked at how SDFC notified Mr F of the BNPL expire date, to see if this was carried out correctly. The statements made it clear that to avoid interest the balance needed to be repaid by the deadline date of 22 May 2023. SDFC has also provided evidence to show emails were sent monthly to Mr F advising his statements was ready to view. I'm satisfied that's SDFC's communication of the deadline is fair here, given what it knew at the time.

I acknowledge that Mr F says due to his dyslexia he gets confused and that's why he requires communication in large print. So SDFC putting the BNPL deadline date on just the mobile app and online statements wasn't enough for him. SDFC isn't able to put reasonable adjustment in place for disabilities it hasn't been made aware of and here it doesn't appear to be disputed that it wasn't until after the interest had been applied that Mr F explained his dyslexia and the impact it has.

Mr F has said that this doesn't matter and when he did make SDFC aware it was his disabilities that caused the oversight, it should've taken this into account. In not doing so it has discriminated against him, given the Equality Act 2010. I have taken the Equality Act 2010 into account when deciding this complaint. However ultimately, I have to decide the complaint based on what's fair and reasonable. So, if Mr F wants a decision that SDFC has breached the Equality Act 2010, then he would need to go to court for that. I'd like to point out here that Mr F won't be able to do this and accept my decision.

In looking at SDFC's actions here, I don't believe it has made an error. At the time of applying the interest, SDFC believed it had correctly notified Mr F of the deadline and there is nothing to suggest that it was wrong to think so at that time. Mr F also didn't contact it to clarify the deadline, despite knowing there was one and knowing he can find things like this confusing.

It is a consumer's responsibility to maintain their account and here I don't believe Mr F did that sufficiently. It seems Mr F was instead waiting for SDFC to tell him of the deadline, in a communication medium suitable for his needs, needs that he hadn't made SDFC aware of.

After the interest was applied, Mr F made SDFC aware of his dyslexia and said it should now refund him. For me to consider this I would have to be satisfied that SDFC had applied it incorrectly. Here I don't think it did. SDFC told Mr F of the correct deadline on his monthly statements, and I can't hold SDFC liable for Mr F not reviewing these. I appreciate his point

that he needs large print, but he never explained this to SDFC, so again it didn't act unfairly in sending standard font sized statements. Had Mr F checked his mobile app or online statements he would've likely been able to zoom in. While I fully understand this isn't the same as large print, it would've allowed Mr F to see the deadline date clearly.

Overall, here I'm satisfied that SDFC doesn't need to refund the interest to Mr F. Moving forward I would like to remind SDFC of its obligation to treat Mr B with forbearance and due consideration in relation to any outstanding amount that remains owed.

I've listened to the call Mr F makes to SDFC raising this issue, this includes both the initial advisor he spoke to and the second advisor at the credit complaints department. Having done so I feel the advisors were listening to Mr F and considered his dyslexia, but ultimately believed the interest was still due. I also couldn't hear any laughter and the call ended amicably with the agreement an SRC would be sent.

Lastly SDFC has explained that it is now aware of Mr F's dyslexia and has made a note of this on its systems. However, Mr F has explained that he has still received letters in standard font size. I'd like to remind SDFC to ensure reasonable adjustments are put into place for Mr F.

My final decision

I don't uphold Mr F's complaint against Shop Direct Finance Company Limited trading as very.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 25 March 2024.

Paul Blower
Ombudsman