

## **The complaint**

Mr J complains that Shop Direct Finance Company ('Shop Direct') irresponsibly gave him two revolving credit accounts that he couldn't afford.

## **What happened**

In January 2019, Mr J applied for a revolving credit account with Shop Direct. He was given an initial credit limit of £600. The credit limit was increased once to £900 in August 2019.

In February 2019, Mr J applied for a second revolving credit account with Shop Direct. He was given an initial credit limit of £600. The credit limit was increased once to £900 in October 2019.

In 2023, Mr J complained to Shop Direct to say that the revolving credit accounts shouldn't have been opened for him because they weren't affordable and that Shop Direct ought to have made a better effort to understand his financial circumstances before providing him with credit.

Our adjudicator thought the complaint should not be upheld. Mr J didn't agree. So, 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've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Shop Direct will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr J's complaint is that Shop Direct made credit available that was unaffordable. It's possible that Shop Direct failed to make adequate checks before providing Mr J with credit. But even if that's true, I have seen insufficient evidence to think better enquiries would have caused Shop Direct to think the revolving credit accounts were unaffordable.

It is not straightforward trying to determine affordability because Mr J has not been able to provide bank statements from the time in question. And I have not had sight of any credit information from the times. So, I have no way of knowing the volume of any credit Mr J

may have had or how Mr J was managing any existing credit he had at the time the lending decisions were made.

I have considered the monthly repayments in the data that Shop direct has provided. I have seen insufficient evidence of financial hardship in the way Mr J was managing his accounts up to the last credit limit increase.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr J to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led Shop Direct to think that the credit it provided Mr J was unreasonable.

I have not found sufficient evidence to uphold this complaint.

### **My final decision**

For the reasons given above, I have not seen sufficient evidence to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 December 2023.

Douglas Sayers  
**Ombudsman**