

## **The complaint**

Ms W complains, via a third party, that Next Retail Limited trading as Next Online (“Next”) lent to her irresponsibly.

## **What happened**

In November 2019 Ms W applied for an account with Next which was granted with a credit limit of £300. This credit limit was never increased.

In November 2022 the account was closed by Ms W.

In February 2023 Ms W complained to Next that it had lent to her irresponsibly.

In March 2023 Next issued Ms W a final response letter (“FRL”). Under cover of this FRL Next said it was satisfied it had done nothing wrong in approving Ms W’s account application or in granting her a credit limit of £300.

Unhappy with Next’s FRL, Ms W complained to our service.

Ms W’s complaint was considered by one of our Investigators who came to the view that it shouldn’t be upheld.

Ms W didn’t agree with the investigator’s view so her complaint has been passed to me for review and 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.

Having done so I can confirm that I’ve come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

I’ve summarised this complaint very briefly. But I want to assure both parties that I’ve reviewed everything on file. And if I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Secondly, I would add that where the information I’ve got is incomplete, unclear or contradictory, I’ve to base my decision on the balance of probabilities.

Next 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.

In deciding to grant Ms W an account in November 2019 Next was obliged to carry out proportionate checks. What constitutes proportionate checks varies depending on the type and amount of credit being applied for (and being provided), the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

Given the checks that Next says it undertook and what it says these checks 'uncovered' or didn't uncover, the relatively small credit limit offered (which at 5% gives a monthly repayment required from Ms W of £15) I'm satisfied that Next undertook proportionate checks before agreeing to grant Ms W an account in November 2019.

Ms W specifically says that Next shouldn't have provided her with the account as she had a County Court Judgement ("CCJ") registered against her.

Based on what Next has said and submitted I'm satisfied that it had due regard to the CCJ registered against Ms W before granting her an account and it didn't – given the age of the CCJ and the credit limit granted – act irresponsibly in doing so.

I know that Ms W will be disappointed with my decision. But having considered everything that the parties have said and submitted I'm simply not persuaded, in the particular circumstances of this case, that Next did anything wrong.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 17 January 2024.

Paul Hamber  
**Ombudsman**