

## **The complaint**

Mr S complains about Next Retail Limited reporting an arrangement to pay on his credit file.

## **What happened**

Mr S has a catalogue shopping account with Next. In 2018, Next increased the credit limit on his account from £150 to £3,750. Not long afterwards, Mr S got into financial difficulties, and Next defaulted his account.

Mr S complained that Next had been irresponsible to increase his limit by so much. In November 2019, Next upheld his complaint, and agreed to refund his interest and charges, waive any future interest, pay him £100 for his trouble, and remove the default and arrears from his credit file. It then agreed a repayment plan with him for the remaining balance.

Since 2019, Mr S has not borrowed on his Next account again, and he has been reducing the balance, in accordance with successive arrangements.

In October 2023, Mr S complained to Next that the arrangements to pay were being recorded on his credit file. But Next did not uphold his complaint, on the ground that his credit file was factually correct. Being dissatisfied with that response, Mr S brought this complaint to our service. He argued that the only reason anything was being reported on his credit file at all was because of Next's irresponsible lending in 2018.

Our investigator did not uphold this complaint. She said that when Next had upheld his original complaint in 2019, it had not told him that it would never report arrangements to pay to the credit reference agencies. And in December 2019, Next had told him that it would report the arrangement on his credit file. She thought that this was accurate information about Mr S's financial circumstances, which other potential lenders were entitled to know about him. She added that under our time limits, it was too late for Mr S to complain about what had happened in 2018 and 2019, but she thought that Next's resolution of the 2019 complaint had been in line with what we would have told Next to do if he had complained to us at the time.

Mr S asked for an ombudsman's 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 do not uphold it, for essentially the same reasons as our investigator gave.

If Mr S had escalated his original complaint to our service in 2019, we would not have expected Next to do more than it did at the time – that is, to refund him the interest and charges and to remove from his credit file all of the adverse information that had been reported up to that point in time. We would not have told it that it cannot record repayment plans or missed payments in the future.

I appreciate Mr S's argument that nothing negative would have been reported on his credit file if his credit limit had not been increased by so much in 2018. But Next has a duty to record accurate information on its customer's credit files, so it had to report Mr S's arrangements to pay from 2019 on. That is consistent with our service's usual approach to irresponsible lending complaints.

Next told Mr S as much in its email to him on 4 December 2019, so this isn't a case of Mr S's reasonable expectations not being met.

For these reasons, I do not think that Next has acted unreasonably, or that it needs to take any remedial action.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 August 2024.

Richard Wood  
**Ombudsman**