

## **The complaint**

Miss C complains about the amount Next Retail Limited ("Next") refunded to her as part of an irresponsible lending complaint.

## **What happened**

In July 2020 Miss C entered into a Debt Arrangement Scheme (DAS) and a Debt Payment Programme (DPP) was agreed. Under the DPP Miss C would pay £350 per month towards her debts with her creditors; Next was one of those creditors.

In July 2022 Miss C completed the DPP and at that point she says her debts should have been considered to have been paid in full.

Miss C subsequently raised a complaint with Next about unaffordable lending. She was represented in that complaint by a company I will call C. It was agreed that C would take a cut of any refund. The irresponsible lending complaint was upheld by this Service, and we told Next to refund interest that had been charged on the store card she had with them.

Miss C was upset with the amount Next refunded. Next explained that the DPP hadn't paid off the full amount due and that they had, therefore, used the refund to offset that amount before refunding the rest to Miss C. Miss C thought they should have refunded it all as the debt had been satisfied in full when the DPP concluded.

Our investigator didn't uphold Miss C's complaint but as she still disagreed it has been passed to me, an ombudsman, for a final 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.

I know it will disappoint Miss C, but I don't think Next have been unreasonable here and I'm not asking them to take any action. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

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.

I agree with Miss C that when the DPP was successfully concluded the debt should have been considered paid in full. Next also agree with that position and they've explained that they have reported the account as settled to the credit reference agencies.

But Next didn't receive all the money that Miss C had lent from them. And as the interest rebate took into account the full debt It can't be fair and reasonable to refund to Miss C something she didn't pay. In those circumstances I think Next were fair to retain what they hadn't received before refunding the rest of the money due under the irresponsible lending complaint.

It's for those reasons that I don't think Next have been unreasonable here and I'm not asking them to take any further action.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 28 August 2024.

Phillip McMahon  
**Ombudsman**