

The complaint

Mrs R complains that Frasers Group Financial Services Limited (who I'll call Frasers) trading as Studio, have failed to refund her for an item.

What happened

Mrs R didn't receive an item she bought for £15 using her Frasers account. She requested a refund in February 2024 but hasn't received one and has had to spend a lot of time contacting Frasers to try to resolve matters.

Frasers say that the money was refunded to her Frasers account in April 2024 and that they then paid it to the account she used to pay for the goods in May 2024.

Our investigator didn't think Frasers had provided sufficient evidence that the money had been refunded and she noted that Mrs R had been inconvenienced by the calls she'd had to make to try to resolve matters and had been deprived of the money. The investigator thought Frasers should pay Mrs R £75 in compensation and that they should refund the £15 directly to Mrs R to resolve matters.

Frasers didn't agree. They explained that it was the retailer who was responsible for the refund, and it was unfair to hold them responsible for any delays in them refunding the transaction. They said that on 7 May 2024 they had refunded the £15 directly to the account Mrs R made the payment from. They asked for a final decision by an ombudsman.

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 Studio, but I'm not upholding this complaint. 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.

The credit was provided by Frasers Group Financial Services Limited and not by the retailer. They are, therefore, responsible for issuing refunds when consumers make payments to the credit account that are subsequently reversed.

When I reviewed this complaint, I noted that the account statement Mrs R had provided to demonstrate a refund hadn't been made, were not the ones to which Frasers had explained they'd made a payment. I gave Mrs R the details of the account Frasers said they'd paid, and I asked her to check it. Mrs R has explained that she hasn't got an account with the

account number Frasers provided: she only has one account and that's the one that she provided statements from. I can't see that Mrs R has received the refund so Frasers will need to contact her and make the payment to an account she can specify.

Mrs R has been inconvenienced by these issues. Correspondence shows that she has spent hours on the phone trying to resolve what should have been a relatively minor issue, and she's had to refer her complaint to this Service and spend even more time on it, when I think it could have been resolved earlier. She's also been deprived of the money. In the circumstances, I think Frasers should pay her £75 in compensation in respect of the distress and inconvenience caused.

My final decision

For the reasons I've given above, I uphold this complaint and tell Frasers Group Financial Services Limited to:

- Contact Mrs R and arrange to pay the £15 refund to an account of her choosing.
- Pay Mrs R £75 compensation in respect of the distress and inconvenience they've caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 25 September 2024.

Phillip McMahon
Ombudsman