

## **The complaint**

Ms G complains that Shop Direct Finance Company Limited (SDFCL) hasn't refunded her for a phone she returned.

## **What happened**

Ms G bought a phone in July 2023 using her SDFCL account. She returned the phone sealed and not touched but she wasn't provided with a refund.

SDFCL issued a final response letter dated 11 January 2024. It noted that Ms G ordered a phone on 25 July 2023 costing £1,249 which was delivered on 27 July 2023. It said that the phone was returned and received by SDFCL on 22 September 2023 and its records said the phone was received unsealed and outside of the home approval period, so it was sent for inspection. It said that no manufacturing defect was found and so the phone was returned to Ms G. It said that because the phone was returned outside of the home approval period and the box wasn't sealed it wasn't able to accept the return.

Ms G didn't accept SDFCL's response and referred her complaint to this service. She said she returned the phone sealed, unused and in the condition she received it. She explained that she has returned other phones without issue and received refunds and that she thought she should receive a refund for this phone. She said that when the phone was returned to her it was marked and she shouldn't have to accept this.

Our investigator didn't uphold this complaint. She explained that this complaint is against SDFCL and so she had considered its actions in response to Ms G's claim under section 75 of the Consumer Credit Act 1974. She said for there to be a claim under section 75 there needed to be evidence of misrepresentation or a breach of contract. She said that Ms G had ordered a phone, and this had been delivered. She noted that Ms G returned the phone outside of the refund policy terms and so a refund would only be provided if the phone was faulty. The phone was inspected, and no faults found. Therefore, our investigator didn't find that there had been a misrepresentation or breach of contract. She noted that Ms G said the phone was returned to her dirty and that SDFCL agreed a 10% price reduction because of this which she thought was reasonable.

Ms G didn't agree with our investigator's view. She said that the phone was returned as received. She said the circumstances surrounding her case should be considered including that she was previously sent a toy phone rather than a real one and that she had been able to return other phones and receive refunds without issue.

## **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 understand that Ms G is upset that she hasn't been provided with a refund for a phone she bought in July 2023. I note her comments about receiving refunds for other phones and that she was previously sent a toy phone and received a refund for that. But, while I have

considered all of the evidence provided, including the wider context in which Ms G has raised her complaint, this decision is about the actions taken by SDFCL in response to Ms G not receiving a refund for the phone ordered in July 2023 and whether it did anything wrong or treated Ms G unfairly.

Ms G has a credit agreement with SDFCL under which she ordered a phone on 25 July 2023. Ms G has said that she returned the phone unopened and in the condition she had received it and SDFCL confirmed it was received on 22 September 2023. Ms G didn't receive a refund and instead the phone was returned to her.

Under section 75, a claim can be raised against the finance provider (in this case SDFCL) if there has been a breach of contract (such as the goods not being of satisfactory quality) or if the goods were misrepresented.

Ms G has not raised any concerns about the phone that was delivered on 27 July 2023 not being what she had ordered. Therefore, I do not find there is evidence that the phone was misrepresented. I have therefore considered whether there has been a breach of contract by a refund not being provided.

I have looked at Ms G's account terms and conditions and these set out under the approval guarantee a customer has 28 days to return the goods. In this case Ms G returned the phone outside of the 28-day timeframe. Because of this I find it reasonable that the phone was checked to establish whether it was faulty. As no faults were found and the phone was returned more than 28-days after it was received, I do not find that there has been a breach of contract by Ms G not receiving a refund.

There has been discussion about the state in which Ms G returned the phone and how she received it back. SDFCL said it looked at the photographic evidence of the return and there didn't seem to be any damage to the phone just the packaging. Therefore, on balance, I accept that Ms G returned the phone in the condition she received it and that the damage to packaging could have happened in transit. However, this doesn't change the outcome to this complaint, as Ms G returned the phone outside of the required timeframe and so I do not find that SDFCL has done anything wrong by not providing the refund.

Ms G has said that the phone was returned to her with stains and finger marks on the screen. I do not have further evidence of this, but I note that the phone was checked to ensure that it wasn't faulty and so there could have been finger marks left due to this. While I appreciate Ms G's comment about this I have nothing to suggest the phone was damaged in any way before it was returned and I note a 10% price reduction was applied to the phone in response to this issue. I find this fair.

In conclusion, this decision is about Ms G not receiving a refund when she returned a phone (and instead receiving the phone back). In this case, I do not find I can say that SDFCL has done anything wrong or treated Ms G unfairly and so I am not upholding this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 19 November 2024.

Jane Archer  
**Ombudsman**