

## **The complaint**

Ms C complains that Next Retail Limited trading as Next Online ('Next') won't offer to increase her credit limit on her Next 3 Step Account, despite this being a possibility in the account's Terms and Conditions ('T&Cs').

Ms C wants Next's T&Cs to be reviewed and she'd like compensation for the distress and inconvenience this matter has caused her.

## **What happened**

In February 2020 Ms C obtained a Next 3 Step Account with a credit limit of £300.

On 7 April 2024 Ms C rang Next to ask why she hadn't been offered a credit limit increase. Next said this wasn't something they'd look to do on a Next 3 Step Account.

Ms C raised a complaint with Next that their response was contradictory to the account's T&Cs and also inconsistent with the information in her Next app.

A manager from Next spoke with Ms C about her complaint but didn't agree Next had done anything wrong.

On 23 and 24 April 2024 Next sent Ms C letters in relation to her complaint, which Next rejected. Both letters said that Next reserved the right to offer her a credit limit increase but this was their decision, and at that point in time increased credit limits were not being offered on her type of account. Ms C was informed that there had been a trial of increased credit limits and this was something Next might look to offer Next 3 Step customers in the future, subject to their eligibility and affordability checks.

Ms C referred her complaint to our service saying she felt the T&Cs were misleading as she'd never been offered a credit increase on this type of account since opening it, but our investigator didn't uphold her complaint.

Ms C has asked that the matter be referred to an ombudsman, which is how I've become involved.

## **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've taken into account any relevant law and regulations, the FCA's rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

Having done so I have decided not to uphold Ms C's complaint for broadly the same reasons as our investigator.

I think it would be helpful to explain that it isn't the Financial Ombudsman Service's role to interfere with a firm's processes, systems or controls, nor to fine or punish a business. These are matters for the Financial Conduct Authority ('FCA') to consider as the regulator.

This means I can't undertake a review of Next's T&Cs and direct that they change them in some way, nor can I seek to control how Next make their lending decisions.

For me to uphold Ms C's complaint I'd have to find that Next acted unfairly or unreasonably by not offering to increase Ms C's credit limit - and I don't consider the evidence shows they have.

Ms C's concern is that she won't ever be offered a credit limit increase on her Next 3 Step Account.

I don't agree that this is what Next have said here, as their letter dated 23 April 2024 states:

*"At the moment we don't offer credit limit increases for Next 3 Step customers. Credit limits are set at the time of application and can only be decreased."*

*"That said, we are considering the option of offering increases in the future, and any customers interested can select to accept any offered increases in the preferences section of My Account."*

And Next's letter of 24 April 2024 states:

*"As we discussed on our call last week, there was a trial for a select few customers who were offered increased credit limits. I'm hopeful that this is a sign that going forwards we will be able to offer all of our eligible customers an increased limit."*

I don't consider Next's letters to Ms C on 23 and 24 April 2024 are incompatible with what the T&Cs say at Clause 3:

*"3. We reserve the right to vary your credit limit from time to time. We will notify you as soon as reasonably possible following any decrease in your limit, and we will give you one month's advance notice of any increase in your credit limit. You will be able to decline any offer of an increase in your credit limit."*

Ms C has shared a screenshot from her Next app, which shows she can opt in or out for offers of increased credit limits, which is consistent with what Next have communicated to her.

I'm aware it's not been possible to listen to the calls Ms C had with Next, but I'm satisfied from the evidence I have seen that Next didn't guarantee Ms C a credit limit increase when she opened her account, and that this was always something that was optional for Next to consider and subject to eligibility and affordability checks.

I'm also satisfied that Next have communicated clearly with Ms C here and in such a way that Ms C can reasonably assess whether this account meets her current needs.

Taking all of those factors into account, I am of the view that Next haven't acted unfairly towards Ms C in these circumstances.

I acknowledge Ms C has spent time trying to sort this matter out and feels disappointed by Next's current position in relation to her credit limit. But as I've concluded Next haven't done anything wrong on this occasion, I won't be asking them to compensate her.

**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 C to accept or reject my decision before 20 November 2024.

Clare Burgess-Cade  
**Ombudsman**