

The complaint

Miss H complains Next Retail Limited treated her unfairly when they closed her credit account.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 considered everything, I've reached the same conclusions as our Investigator, for these reasons:

- Next closed Miss H's account because they felt they couldn't provide a level of service that met her expectations – nor could they continue writing off costs. They reached this conclusion because since Miss H's account was opened in 2016, they'd only received £96 from her. However, they had settled claims totalling £726 due to issues she'd experienced not receiving items she'd ordered. They've explained her returns rate is 99.8% and this is higher than they'd expect an average customer to experience. I've seen evidence that shows the times Miss H has raised issues with not receiving her orders, so I'm persuaded this is case.
- The terms and conditions of Miss H's account say that Next can terminate an agreement – even if a customer isn't in breach of that agreement. And they can do so for any "*objectively justified reason*". Given Next's reasons detailed above, I don't consider their decision to terminate her account was unreasonable. So, I won't be asking Next to reopen Miss H's account.
- While I'm satisfied Next could terminate Miss H's agreement, they failed to give her two months' notice in line with the terms and conditions of her account. So, here, I do think they treated her unfairly. However, Next acknowledged their mistake when Miss H referred her complaint to our service and offered her £100 to recognise the distress and inconvenience their mistake caused. This offer is in line with what I would have asked Next to pay had they not already made an offer. I say this because I've not seen anything to demonstrate the lack of notice caused any significance inconvenience or confusion.
- When Miss H's account was closed she had unused credit and a gift card on it. I was pleased to see Next took the steps to transfer the value of the credit and gift card to Miss H's current account. Therefore, she didn't suffer any financial loss as a result of her account being closed.
- I've noted what Miss H has said about Next's choice of courier. However, that isn't

something our service has the power to make a finding on. But I do acknowledge it is something she feels strongly about.

For the reasons above, I'm upholding Miss H's complaint - albeit not in the way she hoped. To put things right, Next should pay her £100 in recognition of their failure to give her two months' notice before closing her account.

My final decision

My final decision is that I'm upholding Miss H's complaint about Next Retail Limited.

To resolve this complaint, Next Retail Limited should pay Miss H £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 22 October 2024.

Sarah Turay
Ombudsman