

The complaint

Miss R has complained about the service received off the back of purchasing goods using her Frasers Group Financial Services Limited ("FGFS") credit agreement.

What happened

In November 2023 Miss R placed an order for a few items using her FGFS credit agreement through a retailer I'll call "S". I understand she bought the items on a three-month interest saver option. Part of the order was for two dinner sets for £30 each. Miss R said there was an issue with the courier and two packages containing the dinners sets were lost. She said one package was found, but the other wasn't. She said she was missing one dinner set and the set she received was damaged. She raised a complaint with S but wasn't happy with the support it offered. I'll explain a bit more about the relationship between S and FGFS later in this decision. Miss R decided to contact the Financial Ombudsman for help. She didn't think she should have to pay for either dinner set.

FGFS said the issue seemed to be a retail issue and so it didn't think the complaint was set up correctly. When the Financial Ombudsman took on the case to investigate it said the missing item had been credited back to Miss R's account which reflected in November 2023 and that Miss R had also been offered a £10 voucher from S for the damaged item.

One of our investigators looked into things and said FGFS had acted in two different capacities when dealing with Miss R. She said the goods were bought through S using the FGFS credit agreement. So FGFS was acting as a creditor. But she said the goods were owned by FGFS, so it was also acting a retailer. She said the Financial Ombudsman couldn't consider a complaint about retail activities. So that meant she couldn't consider a complaint about the supply or quality of the goods because that didn't relate to a financial service, which is what the Financial Ombudsman is set up to deal with.

However, our investigator said she could consider how FGFS administered the credit agreement. She said there were terms in the agreement that set out Miss R should still pay towards the agreement even if there was a dispute or refund request active. So she didn't think FGFS acted unfairly by continuing to pursue Miss R for the sums on the agreement. She also noted that FGFS had applied a refund to the account that had been arranged by S and so she didn't think FGFS had acted unfairly when administering the agreement.

Miss R said she didn't recall receiving the £10 voucher from S. Our investigator let FGFS know this, and it said S had agreed to increase the offer to a £20 voucher, which S resent. But our investigator said that was a matter between S and Miss R. She made no further recommendations.

Miss R wasn't happy with the overall outcome. She said the offers didn't go far enough. She said she didn't understand how this was a retail complaint when the items were bought using a credit agreement. She said she was unhappy how long it took to get an answer, and the voucher was for a different retailer.

As things weren't resolved, the complaint has been passed to me to decide.

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.

The complaint we have is against FGFS. We're able to consider complaints against FGFS because it carries out financial services – such as exercising the lender's rights/duties under a credit agreement. Miss R has a credit agreement she used with FGFS to pay for goods. But we're not able to look at every complaint that is brought to us.

To give some background, FGFS has said it used to be the lender and supplier up until May 2023 when S separated from it. From that point onwards S and FGFS were separate entities. I think FGFS was still the supplier of the goods until January 2024 when stock ownership changed to S. But in that time (May 2023 to January 2024) FGFS sold the goods through S's website.

Like our investigator has pointed out, it seems that when Miss R bought the goods that are relevant to the dispute, FGFS supplied them through S's website as I've set out above. When Miss R had an issue, she understandably contacted S for help. She wasn't to know what was happening in the background. But she wasn't happy with the support she was getting from S.

As a starting point – I don't think I can hold FGFS responsible for the problems Miss R was having with S because S is a separate entity to it. So even though I can see S has acknowledged there were some failings this doesn't mean I can direct FGFS to compensate Miss R for that.

For the period that's relevant to the dispute, FGFS was also the supplier of the goods. So Miss R would understandably consider any issues with receipt/quality should be dealt with by FGFS. That might be correct, but it's important for me to consider what sort of complaints the Financial Ombudsman can deal with. As I've said above, I can consider complaints relating to financial services, such as how FGFS exercised its rights/duties under the credit agreement it has with Miss R. The credit agreement sets out Miss R's rights under section 75 of the Consumer Credit Act 1974. If FGFS failed in its duties under section 75 that would be something we could consider. But the purchases don't fall under section 75 because the necessary relationships between the parties didn't exist at that time, and the goods were under £100.

Moreover, there doesn't seem to be an issue with the administration of the account. The refund S agreed was applied to the credit account and it reflected in November 2023. So I can't see FGFS has acted unfairly when administering the credit agreement.

Overall, I'm very sorry to hear why Miss R was unhappy. She must have been really frustrated. She's waited a long time and I'd imagine it feels like her complaint isn't being fully considered because of some sort of technicality. The nature of the way FGFS and S interacted changed a few times around the time of the dispute. I imagine it seems overly complicated if not confusing, and Miss R simply wanted help for something she thought was straight forward.

There's not much supporting evidence for what went wrong with the goods in the first place, or to show the issues with the quality of the set. But even if that evidence was clear, for the reasons given above, I don't think there'd be grounds for me to uphold the complaint against FGFS. The problems Miss R had were retail issues and not financial services issues. I can't hold FGFS responsible for what went wrong with S. I can't see FGFS failed when considering the way it exercised its rights or duties under the credit agreement. And I don't

think there was a failing in its administration of the credit agreement. So while I know Miss R will feel let down, I don't find I have the grounds to direct FGFS to take further action.

My final decision

My final decision is that I don't have the grounds to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 3 June 2025.

Simon Wingfield
Ombudsman