

The complaint

Miss P complained about how her claim under section 75 of the Consumer Credit Act 1974 (CCA) was handled by Frasers Group Financial Services Limited (FGFS).

What happened

Miss P ordered goods from a retailer and paid for the items using her credit account provided by FGFS.

Miss P brought her complaint through a representative. But for ease of reading, I'll refer to her throughout.

Miss P said she only received part of the order and some of the items didn't arrive. She said the evidence of delivery shows the parcel was left by a bin, but not at her property as she lives in a flat.

Miss P contacted FGFS and asked for help with the order because she didn't think she should have to pay for missing items. FGFS initially told Miss P to contact the retailer but later considered a claim under section 75 of the CCA. FGFS declined the claim because the necessary conditions for a section 75 claim didn't exist, and Miss P complained. She said she was unhappy to make payments and that it impacted her credit file.

Miss P referred her complaint to our service. An investigator here considered the complaint, she thought that FGFS hadn't declined the claim unfairly.

Miss P disagreed. She said that she wasn't going to be bullied into paying for items that were never delivered because none of them cost more than £100. She said that it wasn't fair that our service didn't have power over how these companies operate. Miss P said she signed an agreement on the promise of receiving goods and was now forced into paying. She said that a fair outcome would be to track the missing package.

The complaint has been passed to me to make a final 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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide the complaint quickly and with minimum formality. I want to assure Miss P and FGFS that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to say I'm very sorry to hear that Miss P is unhappy that she hasn't received the goods, and acknowledge what she's told us about her health. I can't imagine how she must feel, but I thank her for taking the time to bring the complaint.

I'm considering whether FGFS has acted fairly and reasonably in the way it handled Miss P's request for getting her money back. I can't look directly at a complaint about the retailer, because they're not a financial services provider. Selling goods to customers isn't itself a financial service the Financial Ombudsman can investigate complaints about. It's important to note FGFS is a separate business to the retailer. I also want to set out that it's not my role to fine or 'punish' financial businesses. That's the job of the regulator.

Exercising the lender's rights and duties under a credit agreement is something the Financial Ombudsman can consider complaints about. I've considered whether FGFS had a duty to deal with Miss P's claim under section 75. Section 75 is a statutory protection that enables Miss P to make a like claim against FGFS for breach of contract or misrepresentation by a supplier paid by credit account in respect of an agreement it had with her for the provision of goods or services. But there are certain conditions that need to be met in order for section 75 to apply.

One of those conditions is that section 75 doesn't apply to a claim "so far as the claim relates to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000". In this case as the individual (single) items cost less than £100, section 75 doesn't apply.

Miss P has said she didn't receive items that she ordered from a retailer. That could be a breach of contract, but it doesn't mean FGFS has to give her a refund if it doesn't have the duty to do so. In this case she may want to get legal advice on how to pursue the claim directly against the retailer.

I understand that Miss P has also disputed having to make payment towards the items, and there might be arrears on the account. Unfortunately, regardless of the dispute about the goods Miss P is still liable to repay the sums under the credit agreement. However, if Miss P is in financial difficulties FGFS need to treat her with forbearance and due consideration.

Considering all the circumstances of this complaint I don't think the answer FGFS gave her was unreasonable. I appreciate this will be extremely disappointing for Miss P but I'm not directing FGFS to do anything further to resolve this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 22 May 2025.

Caroline Kirby
Ombudsman