

## **The complaint**

Miss A complains that Shop Direct Finance Company Limited trading as Very (Very) acted unfairly in agreeing to a credit account she said she couldn't afford.

In bringing her complaint Miss A is represented by a third party. For ease of reading I will only refer to Miss A in my decision.

## **What happened**

In January 2022 Miss A applied for a revolving credit account with Very. Her application was successful and Very applied a credit limit of £600. No further credit limit increases were applied. Miss A said Very hadn't sufficiently checked her financial situation before agreeing to lend to her and she'd struggled to sustain her repayments. She complained to them.

Very said their checks had been reasonable and proportionate at the time of the lending. And based on these checks their lending decision was fair.

Miss A wasn't happy with Very's response and referred her complaint to us.

Our investigator found Very's checks had been reasonable and proportionate. And based on these they'd made a fair lending decision.

Miss A didn't agree and asked for an ombudsman 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.

I appreciate my decision will disappoint Miss A. But having done so I don't uphold her complaint. I'll explain why.

I've considered the relevant rules and guidance on responsible lending set by the regulator, laid out in the consumer credit handbook (CONC). In summary, these say that before Very offered the account they needed to complete reasonable and proportionate checks to be satisfied Miss A would be able to repay the debt in a sustainable way.

But it's important to note Miss A was being provided with an open ended credit facility rather than a loan. And this means that Very was required to understand whether a credit limit of £600 could be repaid within a reasonable period, rather than in one go. A credit limit of £600 required relatively low monthly payments to clear the full amount that could be owed within a reasonable period.

In deciding what was proportionate Very needed to take into account things such as (but not limited to): the amount of credit, the size of any regular payments (taking into consideration the rules and guidance in CONC relating to assumptions concerning running account credit agreements), the cost of credit and the consumer's circumstances.

Very used Miss A's application data that showed she was in full time employment with an annual income of £33,501, and a household income of £45,001. She was in rented accommodation and had two dependents.

Very also cross checked this information by carrying out a credit check. This showed Miss A was up to date with her credit commitments. There wasn't any evidence of financial vulnerability such as defaults or county court judgements. Or any evidence of over indebtedness.

I take on board the comments made by Miss A that she was reliant on credit and that'd she'd a pattern of borrowing. But given the type and amount Miss A was borrowing, and the credit check evidence that was provided to Very, I think any further checks would have been disproportionate.

I say this as In their assessment Very needed to determine Miss A would be able to sustain monthly repayments of around £42 a month (based on 7% of outstanding balance in accordance with their credit agreement) with the assumption she drew down the full credit available to her. Based on the reasonable and proportionate checks Very did I don't think they made an unfair lending decision as there wasn't any evidence at the time of Miss A's account opening to suggest she'd be unable to sustain her monthly repayment.

I understand Miss A will be disappointed by my decision but I hope she can be reassured that her concerns have been listened to. But for me to reach a different outcome I'd have to find Very has done something wrong, and for this complaint, at the time they agreed to lend to Miss A, I don't think they have.

I've also considered whether Very acted unfairly or unreasonably in some other way given what Miss A has complained about, including whether their relationship with her might have been unfair under Section 140A Consumer Credit Act 1974. But for the reasons I've already given I don't think Very lent irresponsibly or otherwise treated Miss A unfairly. I haven't seen anything to suggest s140A or anything else would given the facts of this complaint lead to a different outcome here.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 9 August 2025.

Anne Scarr  
**Ombudsman**