

## **The complaint**

Mr W complains about the way Shop Direct Finance Company Limited trading as Very ('Shop Direct') dealt with his request to have a reduced payment plan.

## **What happened**

The background to this complaint is well known to both parties so I'll only summarise it here.

Mr W has a credit account with Shop Direct. Mr W referred two main complaints to our service. The initial complaint was about Shop Direct's income and expenditure ('I&E') form and the way it dealt with him when he contacted it to explain he was experiencing financial difficulties. The other complaint, which came to us whilst the first complaint was ongoing, was about Shop Direct's request for identification documents in response to letters sent to it by Mr W. Shop Direct didn't think it acted unfairly or unreasonably in respect of either matter. Our investigator didn't recommend upholding Mr W's complaints. Mr W disagreed and asked for the matter to be referred to an ombudsman for 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service.

Mr W has undoubtedly suffered financial hardship, which I'm sorry to hear is the case. As our investigator has explained to Mr W, we expect Shop Direct to follow relevant rules and guidelines when it comes to the exercising of forbearance in response to his type of situation. However, the relevant rules and industry practice do not set out a mandatory list of actions a lender must complete. But we'd expect a lender to act proactively, offering sufficient sympathetic support to those borrower's who are experiencing financial hardship. I think Shop Direct has done so in this case. That is not the same as saying it has acted in the same way as other lenders. However, that is not the relevant consideration here. The relevant consideration is whether it has acted fairly and reasonably in this instance when considering the relevant rules and guidance.

In this case, Shop Direct has demonstrated that when it became aware of Mr W's situation, it responded by asking him to complete an I&E (income and expenditure) form which I don't think was unreasonable as it had to gain an understanding of his particular situation. I note what Mr W says about Shop Direct's I&E form not being fit for purpose in his view. But I can't see that the form it sent to Mr W caused him any detriment. I say this because although it may not have broken matters down as much as some other I&E forms that Mr W has seen, it did cover the main expenses. Shop Direct explained some costs aren't included because it uses the national average, which on the face of it, isn't unreasonable.

Mr W says Shop Direct's form didn't fit his particular circumstance because he has a higher

than average food bill which is due to a food intolerance. Whilst I sympathise with Mr W's situation, from what I can see there was room in the I&E form to allow for him to explain this additional cost. Further, even if I'm wrong about that, I can hear during a call he had with a Shop Direct agent, Mr W explained his food bill was higher than what he thought Shop Direct had taken into consideration. As a result, the agent responded by saying Shop Direct could accept the lowest possible amount it could accept to ensure the arrears were paid over a reasonable period of time. So, Shop Direct agreed to a reduced monthly repayment plan of just over £36 which Mr W did initially agree to.

Subsequent to this call, Mr W said he couldn't afford the monthly repayment of £36, and he wanted Shop Direct to accept his original offer of £20 which he said he was advised to do by a debt advisory organisation. But Shop Direct said that it couldn't accept £20 a month as this would mean the repayments would last longer than a 42 month period, which is the longest time it could accept in terms of a repayment plan. I appreciate Mr W did seek appropriate advice which Shop Direct gave him a 30-day breathing space to do. But I don't think this means Shop Direct is obliged to accept his offer of £20 a month.

According to Mr W's I&E form and taking into account other likely costs that aren't included in the form such as food bills, medical costs etc, this showed he could, on the face of it, afford to repay £114 a month. And Shop Direct agreed to accept much less than this when Mr W explained his circumstances. Further, it gave him several breathing spaces (putting his account on hold by not applying administration charges or interest for example) which was to allow Mr W to seek advice where he could explore other ways to deal with his debts. All in all, I don't think Shop Direct has acted unfairly or unreasonably here. I think it offered Mr W suitable forbearance and did act sympathetically to his particular circumstances.

Mr W says Shop Direct caused him further distress when it asked for identification documents in response to letters he'd sent to it. Whilst I understand Mr W's frustration with this process, the reason Shop Direct asked for additional information was because it needed to make sure it was dealing with the right person. Even if I accept it could've been clearer about why it needed this additional information, I can't see this caused any detriment as it still responded to his complaint and his communications about the financial difficulties he was experiencing. I know Mr W says Shop Direct didn't respond to everything he sent to it but overall, from the responses I've seen, I can't say that it acted unfairly or unreasonably in respect of the communication issues Mr W complains about.

For all these reasons, and whilst I know this will be a disappointing outcome for Mr W, I'm not upholding this complaint.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 October 2025.

Yolande Mcleod  
**Ombudsman**