

The complaint

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

What happened

The circumstances of the complaint are well known so I'm not going to repeat everything here. But, to summarise, Mrs P had a credit agreement with FGFS that she used to buy goods from a retailer I'll call "S". To give some background, FGFS said it used to be the lender and supplier up until mid-2023 when S separated from it. From that point onwards S and FGFS were separate entities. Mrs P referred a complaint to the Financial Ombudsman in March 2024 broadly saying:

- She had issues with overcharging on deliveries, items not received, and interest on buy now pay later.
- S and FGFS didn't support her and sent generic responses.
- She'd tried to call but couldn't get help. She'd asked to speak to a manager but didn't hear back.
- Her account was wrong, and she was asked to pay money to FGFS she didn't think she owed.
- She was worried about her credit rating.
- She wanted to see a breakdown of her account.
- FGFS kept sending her to S and S sent her back to FGFS.
- Although S acknowledged her refunds were due, FGFS hadn't contacted her to help, despite her requests.
- FGFS didn't respond to S's request for account amendments.

S and FGFS made some amendments to the account and FGFS sent a final response letter in August 2024 to broadly say it upheld the complaint due to a known issue with Mrs P not being able to view her last year order history, and that:

- S refunded around £100 and late fees and interest had also been removed.
- No interest was charged on buy now pay later items.
- It had arranged for the account to be closed as per Mrs P's request.

Our investigator initially recommended FGFS pay £100 compensation but after hearing back from FGFS she ultimately didn't uphold the complaint. She thought that Mrs P's problems mainly stemmed from S, and not FGFS.

Mrs P didn't agree. She felt she was still out of pocket by around £50. She also thought it was unfair no one was taking responsibility for the problems she faced.

I issued a provisional decision that said:

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. Mrs P has a credit agreement she used with FGFS to pay for goods.

I think most of the complaint seems to now be resolved. FGFS has agreed to remove the associated interest and charges and a refund was applied to Mrs P's account. I understand it has also closed the account at her request. I've thought about whether it needs to do more.

I should first point out that, while I know Mrs P doesn't agree, I can't generally hold FGFS responsible for what went wrong with S when it became a separate entity to FGFS. I also need to set out that it's not clear Mrs P lost out more than what was reimbursed to her by S or by FGFS. I don't think she's shown sufficient evidence a further reimbursement for financial loss is due. But I'm conscious that part of the problem seems to have stemmed from Mrs P not being able to view her last year order history. FGFS said this was a known issue, and this is why it upheld her complaint.

It doesn't seem to be in dispute the situation took longer to deal with than it should have done. Mrs P has shown us several emails and contact attempts she'd been making from 2023. FGFS acknowledge itself she asked for help in November 2023, and it received further contact in March and May 2024. Mrs P also showed us contact attempts from January 2024 at least to the financial services email asking for help. But the refunds weren't applied until May 2024 and FGFS didn't send a final response until August 2024. While FGFS may not have been responsible for everything, I think the situation took too long to resolve for Mrs P.

Moreover, while FGFS may not be able to deal with retail issues there are things I think it could have helped Mrs P with. If Mrs P had issues with paying the credit agreement FGFS would be responsible for treating her with forbearance and due consideration. If Mrs P had a billing enquiry FGFS would again be required to treat her fairly. If Mrs P was unhappy with interest or charges on the account or information on her credit file FGFS would be required to deal with the query.

In the circumstances, while I appreciate some of the problems may have stemmed from a retail issue with S I think FGFS should have done more to help when Mrs P contacted it. FGFS may have thought it was right to pass Mrs P back to S, but it was clear she was being passed back and forth and wasn't receiving the help she thought she needed. I don't think it should have taken as long as it did for FGFS to answer her billing enquiry. I think it should have taken more ownership of her query and perhaps offered to speak to Mrs P as she'd requested or given her a more helpful informative response. Or at least treated her billing enquiry as the expression of dissatisfaction that it was and raised a complaint sooner. It must have been really worrying and frustrating for Mrs P to be passed back and forth and for the situation to take so long to resolve.

I'm minded to say our investigator's initial recommendation of £100 compensation, that Mrs P accepted at the time, is fair. In the circumstances, while I appreciate Mrs P was required to maintain payments to her account even with a dispute ongoing, I also am mindful that credit file reporting needs to be fair as well as accurate. I don't think Mrs P would have stopped paying towards the credit agreement had it not been for issues with getting help. It doesn't seem to be in dispute there was a problem with her viewing her orders as well, which led to the complaint being upheld. So, if applicable, I also think any negative information about the credit agreement on her credit file should be removed from November 2023 onwards.

Mrs P accepted the provisional decision. I can't see we received a response from FGFS.

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.

Seeing as though I've not been provided anything materially new to consider I see no reason to depart from the conclusion I reached in my provisional decision.

My final decision

My final decision is that I uphold this complaint and direct Frasers Group Financial Services Limited to pay Mrs P £100 and remove any adverse information on her credit file from November 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 7 July 2025.

Simon Wingfield
Ombudsman