

The complaint

Mrs P complains that Shop Direct Finance Company Limited trading as very (very) acted irresponsibly in granting her a catalogue shopping account on the grounds of affordability.

What happened

Mrs P opened an account with very in August 2021. Very granted Mrs P a credit limit of £750.

In 2025, Mrs P complained to very – via a professional representative – that the account had been unaffordable for her. In its final response letter, very said it thought it had acted responsibly and didn't uphold Mrs P's complaint. Mrs P was unhappy with very's response, and so referred her complaint to our service.

One of our Investigators considered the complaint and didn't uphold it. Mrs P's representative disagreed with our Investigator's opinion. As our Investigator couldn't resolve things, the case comes 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.

I've considered the relevant rules and guidance on responsible lending set by the regulator, the Financial Conduct Authority, laid out in the consumer credit handbook (CONC). In summary, these say that when very first offered the catalogue account, it needed to complete reasonable and proportionate checks to satisfy itself that Mrs P would be able to repay the debt in a sustainable way, without borrowing further elsewhere. As this was an open-ended account, very also needed to consider whether Mrs P would be able to repay the debt within a reasonable period.

Very has Mrs P's income recorded as around £14,500 a year. It also recorded the household income was around £39,500 a year. It used information from the credit reference agency to verify this using current account turnover.

Very has explained that prior to offering Mrs P the account, it assessed information from a credit reference agency to determine whether or not to lend. The information very obtained showed that Mrs P's existing credit commitments were all up to date, and had been for the two years prior to the application. It found she wasn't subject to any county court judgments, individual voluntary arrangements or bankruptcy, and she didn't have any recent defaults.

As I've explained above, very needed to conduct proportionate checks to satisfy itself that Mrs P would be able to repay the debt in a sustainable way, within a reasonable period. Mrs P's representative asked what steps very took to verify Mrs P's expenditure, as it said she had a relatively low income and was a homeowner and would have had significant household bills. I think it would be reasonable for very to take the household income into account when considering Mrs P's essential expenditure. Very hasn't provided any information about steps taken to verify Mrs P's expenditure, but I don't think it would have been proportionate for very to take such steps in this instance.

On balance, given the credit limit of £750 which it granted, I think very conducted proportionate checks. Given the information very found, I think it reasonably considered that the credit limit would be sustainably affordable for Mrs P.

I've also considered whether very's actions have meant there's an unfair relationship between it and Mrs P. However, for the reasons I've already given, I think very didn't lend irresponsibly to Mrs P or otherwise treat her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

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 Mrs P to accept or reject my decision before 30 October 2025.

Frances Young
Ombudsman