

## **The complaint**

Ms A complains that Frasers Group Financial Services Limited trading as Studio (“Frasers”) is holding her liable for the cost of goods under her catalogue shopping account which she says she never received. Ms A is also unhappy about the impact this may have on her credit file.

## **What happened**

Ms A has a catalogue shopping account with Frasers that she uses for orders placed with a retailer that I’ll call “S”. On 16 November 2024, Ms A placed an order with S for several items. The total cost of the order was £388.98 and comprised individual items of £80, £78, £5, £8, £57, £8, £8, £4.99, £37, £8, £80 and £10 (plus a delivery fee of £4.99). The order was charged to her account with Frasers.

However, Ms A says she never received the items. She complained to Frasers as they were holding her liable to pay for the order. Ms A asked that Frasers close her account and confirm that no outstanding balance remained.

Frasers didn’t uphold her complaint. They said Ms A needed to direct her complaint to S. Frasers also said Ms A was in arrears and this would be shown on her credit file. They said this information was accurate and they wouldn’t be amending her credit file.

Ms A referred her complaint to our service. Our investigator said Frasers couldn’t be held liable for the problems with the order not being received as the items included within it were all less than £100. He said this didn’t meet the requirements for Ms A to make a claim under Section 75 of the Consumer Credit Act 1974 (“Section 75”) and thus hold Frasers liable. Our investigator also said it wasn’t unreasonable for Frasers to ask Ms A for payment of the order as a result, or to record the account as being in arrears on Ms A’s credit file, and that she needed to take the matter up with S.

Ms A didn’t agree and so her complaint has been passed to me for a 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 want to assure Ms A and Frasers that I've reviewed everything on file. If I don't comment on something, it's not because I've not considered it. I have though concentrated on what I think are the key issues.

I'm very sorry to hear that Ms A is unhappy that she hasn't received the items she ordered.

I'm considering whether Frasers acted fairly and reasonably in the way it handled Ms A's dispute. It's important to note though that Frasers is a separate business to S, who is the retailer. Our service isn't able to look at a complaint about S in relation to the order Ms A placed with them, as they're not a provider of financial services. Selling goods to customers isn't itself a financial service.

A complaint about how a lender has exercised its rights and duties under a credit agreement is something our service can consider.

I've considered whether Frasers had a duty to deal with Ms A's claim under Section 75. This is a statutory protection that allows Ms A to make a like claim against Frasers for breach of contract and/or misrepresentation by S in respect of an agreement it had with her for the provision of goods and/or services.

But there are certain conditions that need to be met for Section 75 to apply. One of these is that the claim has to relate "to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000". In this case though, as the individual (single) items cost less than £100, Section 75 doesn't apply.

Ms A says she didn't receive the items she ordered from S. That could be a breach of contract, but it doesn't mean Frasers has to do anything in relation to this being charged to the catalogue shopping account, if it doesn't have the duty to do so, as is the case here.

I note Ms A also says she shouldn't have to pay anything towards this order and that this shouldn't have an impact on her credit file. Unfortunately, regardless of the dispute about the goods, Ms A is still liable to repay the sums under the catalogue shopping account with Frasers. And Frasers is obliged to record accurate information to the respective credit reference agencies about the status of the account.

Bearing in mind what I've said about Frasers' duties in respect of this dispute, I don't find they need to change anything they've recorded about this account assuming of course that information is accurate.

Overall, I don't find that Frasers acted unfairly and unreasonably in how they've treated Ms A and her account. I realise this will be extremely disappointing to Ms A but I won't be directing Frasers to do anything to resolve the complaint.

Ms A is though free to pursue this issue against S by other means, such as through court. Her legal rights won't be affected if she decides not to accept my decision.

**My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 14 November 2025.

Daniel Picken  
**Ombudsman**