

## **The complaint**

Miss L has complained that Next Retail Limited, trading as Next Online, were irresponsible in opening a credit account.

## **What happened**

Next Online provided Miss L with a credit account in December 2021 with a limit of £600.

Miss L says this was irresponsible. She says the checks carried out were insufficient and a more thorough check would have revealed that the required repayments were unaffordable.

Next Online reviewed Miss L's complaint and didn't uphold it. They were satisfied that appropriate checks were carried out and felt there was no indication that the repayments were unaffordable.

An investigator then reviewed the merits of Miss L's complaint, but didn't think Next Online had done anything wrong.

Miss L disagreed with our investigator's opinion. In summary she felt that a more thorough check would have shown this to be unaffordable, as she was unemployed at the time.

Because an agreement couldn't be reached, the complaint has been passed 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.

Having done so, I'm not upholding this complaint. I know this will disappoint Miss L, so I'll explain why.

The rules and regulations in place at the time Next Online provided Miss L with the credit, required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means Next Online had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss L. In other words, it wasn't enough for Next Online to consider the likelihood of them getting the funds back – they had to consider the impact of any repayments on Miss L.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Next Online did what they needed to before providing the credit account.

Next Online used data supplied by a credit reference agency (CRA) to perform a creditworthiness assessment.

The information Next Online obtained didn't show any adverse information, with no recorded defaults.

I have reviewed the CRA information myself. As there were no signs of financial difficulty from any existing credit and as this application was for a modest amount of £600, I consider the checks Next Online performed were proportionate.

Miss L has provided this service with evidence of subsequent financial difficulties and highlighted that she had missed payments on a previous Next Online account, some months before this application, and I'm grateful for her openness.

Whilst I am not going into detail about every aspect, I can assure Miss L that I have considered it all. Ultimately none of the information persuades me that Next Online should have performed further checks. Therefore it follows that I don't consider Next Online were irresponsible when providing this credit account.

I also note that Miss L has made reference to other complaints that she considers relevant, however I'm reviewing the circumstances of this case on its own individual merits.

In addition to the lending decisions, Miss L is also unhappy with Next Online's support, stating that she felt they didn't offer any meaningful support or forbearance.

The relevant regulation for how a lender should support a customer in financial difficulty, is defined within the Financial Conduct Authority (FCA) Consumer Credit Sourcebook (CONC) and for these purposes, **CONC 7.3.4 R** states that:

*A firm must treat customers in or approaching arrears or in default with forbearance and due consideration.*

There are no defined actions that a lender, Next Online, in this case, must take. But they should be proportionate and take Miss L's individual circumstances into account.

I can see that when Next Online became aware that Miss L was having trouble with repayments, they did arrange a reduced payment plan, without interest being charged. I consider this to be appropriate under the circumstances.

Miss L may not consider this to be sufficient, because I know her desired outcome was for all fees and charges to be refunded, but as I have not found the lending to be irresponsible, this isn't something Next Online are required to do.

As Next Online put a repayment plan in place, in the circumstances of this particular case, I think they have offered sufficient forbearance and so I won't be directing them to do anything further at this stage.

If Miss L feels she's in financial difficulties then I'd encourage her to speak with Next Online to agree an affordable repayment plan. I remind Next Online of their obligation to treat customers in financial difficulty fairly.

In reaching my conclusions, I've also considered whether the lending relationship between Miss L and Next Online might have been unfair to Miss L under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Next Online did not lend irresponsibly when providing Miss L with the credit account, or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A of the CCA 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 Miss L to accept or reject my decision before 17 February 2026.

David Barker  
**Ombudsman**