

The complaint

Mr M complains that Shop Direct Finance Company Limited trading as Very ('Shop Direct') unfairly decreased his credit limit without seeking his consent to do so. He also complains about Shop Direct's customer service.

What happened

The background to this complaint is well known to both Mr M and Shop Direct. I won't repeat in detail what is already known to both parties. In my decision I'll mainly focus on giving the reasons for my decision.

Mr M complained to Shop Direct when it decreased his credit limit on his catalogue account. This was done because the credit limit Mr M had on his account was significantly higher than his average spending. He was also unhappy with the customer service he received when he called to complain.

Shop Direct didn't uphold Mr M's complaint. When the matter was referred to our Service, our investigator didn't recommend upholding this complaint. Mr M disagreed with the investigator's view and asked for an ombudsman's decision on this matter.

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. However, I've given careful consideration to all of the submissions made before arriving at my decision.

I very much sympathise with Mr M's situation, but from what I can see, Shop Direct has acted in line with its terms and conditions in regard to its decision to reduce his credit limit – its terms say it does this from time to time. I understand that Mr M considers Shop Direct should've asked for his permission before doing so. But I can't fairly or reasonably say that this is something Shop Direct is required to do. I also take on board what Mr M says about being given no warning before the change was made but I can't see this would've materially impacted on the outcome here.

Whilst Shop Direct only gave detailed reasons for its decision on the day Mr M called, which appears to be on the same day he found out about the reduction via his statements, I can hear the agent he spoke with gave him clear, fair and not misleading information about Shop Direct's reasons for reducing the credit limits. And given I don't think these reasons were unfair or unreasonable (i.e. that his average spending was significantly lower than the available credit so the limit was reduced as a protective measure) and that this could be done without Mr M's consent, I'm not upholding this element of Mr M's complaint.

I've also considered what Mr M says about Shop Direct's customer service. From the calls I've listened to, it appears Mr M was unhappy with the call wait times – he told one agent he'd been waiting for 20 minutes. He also had to be put through to a number of agents before speaking with someone in the correct department and expressed frustration about Shop Direct not communicating with him about its decision beforehand. I understand how frustrating the call wait times was for him. But I don't think these were excessive. And as I've said, when Mr M did get through to the correct department he was given clear, fair and not misleading information about the reasons for the credit limit reduction. This was on the same day he found out about the reduction. So, I can't fairly or reasonably conclude compensation is warranted under these circumstances.

For all these reasons, I'm not upholding this complaint. I acknowledge that my decision will likely disappoint Mr M, but it brings to an end what our Service - in trying to informally resolve his dispute with Shop Direct - can do for him.

My final decision

For the reasons set out above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 October 2025.

Yolande Mcleod
Ombudsman