

The complaint

Mr H has complained about the service received off the back of purchasing goods using his Frasers Group Financial Services Limited (“FGFS”) credit agreement.

What happened

The circumstances of the complaint are well known to the parties so I’m not going to go over everything again in detail. But to summarise, in October 2024 Mr H contacted the Financial Ombudsman to refer a complaint. He broadly said that in early August 2024 he’d been the victim of fraud. I understand he purchased goods from a retailer I’ll call “S” using his FGFS credit agreement. The goods were delivered to a third party as agreed but I understand that third party defrauded Mr H. Mr H said he’d been trying to get some support from S but wasn’t happy with its help. Mr H also mentioned that he’d been charged missed payment fees and adverse credit information had been recorded due to missed payments.

We contacted FGFS because it provided Mr H’s credit agreement, but it said it hadn’t received a complaint. FGFS went on to investigate and sent a final response. It said as the fraud related to a third party it was unable to investigate that further. It highlighted it was a separate business to S. It also said that statements are issued monthly setting out the minimum payment and due date and if the required payment wasn’t received the account can fall into arrears and a default sum can be applied. It said it also reported the status of the account to the credit reference agencies. It said Mr H hadn’t been making payments regularly but it invited him to contact it if any payments weren’t showing on the statement it agreed to send. It said due to the volume of calls sometimes there’d be delays. But to try to help resolve the complaint it offered to refund three default sums that’d been charged for £12 each.

Mr H remained unhappy and asked our service to investigate. Our investigator thought Mr H likely had missed payments during the relevant statement period but noted FGFS had reimbursed him three of the related charges. He explained S and FGFS were separate businesses and that Mr H was primarily seeking help from S – which related to a retail activity rather than a financial service. He thought Mr H likely had reached out for assistance from FGFS at some point and thought it could’ve handled things better. So he recommended it pay him £100 compensation.

FGFS didn’t agree. It reiterated it was a separate business to S and that it has no visibility over any of S’s systems or contacts with customers. It said the last contact it had received from Mr H was from July 2023, which it evidenced in its contact log. It said once it received notification of the possible complaint at the end of October 2024 it reached out to Mr H to review his concerns and went on to issue its final response letter on 2 January 2025.

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. Mr H has a credit agreement he used with FGFS to pay for goods. But we’re not able to look at every complaint that is brought to us.

To give a bit of background, FGFS has previously told us it used to be the lender and supplier up until May 2023 when S separated from it. So from that point onwards S and FGFS were separate entities.

It's clear Mr H was in regular contact with S from mid August 2024 for the next couple of months. I can see he was frustrated by the way it was responding to him, and the lack of support he was receiving.

As a starting point – I don't think I can hold FGFS responsible for the problems Mr H was having with S because S is a separate entity to it. So even if I could acknowledge there were some failings this doesn't mean I can direct FGFS to compensate Mr H for that.

Mr H was frustrated with the support he was receiving from S and so contacted our service for help. We're unable to consider a complaint about S carrying out retail activities because our service is set up to deal with financial services disputes. We notified the creditor (FGFS) of the complaint, and I think it looks like it broadly took the steps I'd have expected. It reached out to Mr H to find out a bit more about what the complaint was about. Mr H might feel he'd been clear about that previously, but I have to bear in mind that FGFS has said it wouldn't have had any way of knowing what'd happened between Mr H and S. So it was a new issue for it to consider. I can see FGFS tried to call Mr H a couple of times, it did speak to him on one occasion. And it issued a final response as I'd expect.

Mr H has indicated he completed a webform off the back of S telling him to contact FGFS. I think this was around the beginning of October 2024. The problem I have is that I've got no record of FGFS having received contact at that point. Mr H himself said he didn't receive an acknowledgement. FGFS's notes don't reference any contact between 2023 and when our service contacted it. So I don't find I have the grounds to direct FGFS to pay compensation for the way it was responding to Mr H because I can't see it was on notice he was unhappy. And when it was put on notice it seems to have acted fairly.

I've thought about whether FGFS missed any other opportunities to support Mr H or if it acted unfairly in some other way. Due to the nature of the fraud issue (which I'm very sorry to hear about), I don't think FGFS missed an opportunity to help by raising a claim for example. It's not clear it'd have any liability where the problems happened after the goods had been sent to a third party as agreed. But if I've misunderstood anything here the parties can let me know in response to this provisional decision.

With regards to the administration of the account, FGFS has refunded Mr H the three £12 charges it applied from March 2024 onwards which I think covers the period he has complained about. Our investigator has set out why he thinks payments for the three months were likely late, or not per the required amount. From looking at the statement, I think what he's said was correct. I think the March, September and November 2024 payments were made late, which resulted in the charges. Mr H hasn't disputed that, and I can't see there's grounds to direct FGFS to make any amendments to his credit file. But, again, if that's not right, Mr H can respond to this provisional decision with supporting evidence. We'd need to know the due date for the relevant month, along with the payment amount required.

Overall, I'm very sorry to hear Mr H is unhappy. I can see he was really frustrated when he was speaking to S. He had to wait for responses, and he felt like S didn't get to grips with the support he required. I'd imagine it feels like his complaint isn't being fully considered because of some sort of technicality. The nature of the way FGFS and S interacted changed. I imagine it seems overly complicated if not confusing, and Mr H simply wanted help for something he thought was straight forward. But I can only consider and uphold a financial services complaint to the extent that I'm allowed.

I can't see FGFS failed when considering the way it exercised its rights or duties under the credit agreement. And I don't think there was a failing in its administration of the credit agreement. So while I know Mr H will feel let down, I don't find I have the grounds to direct FGFS to take further action.

Mr H responded to say, in summary, it's a challenging outcome to determine and that he'd received two different outcomes. He would have accepted the original outcome. He agreed he didn't hold FGFS responsible for what went wrong with regards to the fraud, but it was the lack of support that was the issue. He said it was very difficult to reach who he needed to and when he did reach someone it wasn't helpful. He reiterates S's customer service was very poor. He said when he did reach FGFS he received no acknowledgement. And it wasn't until reaching out to the Financial Ombudsman that FGFS contacted him but wasn't able to help and it misunderstood the complaint.

I can't see we received any further submissions 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.

I'd like to thank Mr H for taking the time to respond. I do sympathise with what he's saying and can understand his frustration. The difficulty I have is that it's not appropriate for me to make findings against a business that isn't party to this complaint. I can appreciate Mr H feels he was being passed back and forth and wasn't getting the help he needed. But I do have to base my decision on the evidence I've been presented, and I need to consider what the respondent business has done – FGFS. It might seem like it's unfair to Mr H, but I don't have the grounds to direct FGFS to pay compensation where he primarily alleged, in the complaint that was originally referred to us, that ultimately a separate business let him down. There's insufficient evidence FGFS was on notice of a complaint until after the Financial Ombudsman service contacted it. It offered to remove the default charges in its final response letter, and I don't find I can direct it to do more.

My final decision

My final decision is that Frasers Group Financial Services Limited has done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 October 2025.

Simon Wingfield
Ombudsman