

The complaint

Next Retail Limited provided Miss M with a credit account in 2010. It had an initial credit limit of £150, and several limit increases over the following years up to £5,000 in February 2019. Miss M says the credit was provided irresponsibly.

What happened

Next explained it couldn't consider its lending decisions before December 2018 because Miss M had complained too late. And it didn't agree it had treated Miss M unfairly when it increased her credit limit to £5,000 in February 2019. Miss M remained unhappy, so brought her complaint to our service.

Our Investigator agreed that we couldn't investigate lending decisions before December 2018 because Miss M had complained too late and because her account had been sold. He explained she may be able to pursue a complaint about the earlier lending decisions against the debt purchaser. Regarding the February 2019 credit limit increase, our Investigator didn't think Next's affordability checks were reasonable and proportionate. However, even had it carried out more checks, he wasn't persuaded the information they likely would have gathered would have indicated further borrowing would have been unaffordable or unsustainable for Miss M.

Miss M disagreed with our Investigator, so her complaint was passed to me for a final decision.

I asked Miss M to confirm by 27 November 2025 if she agreed we could only consider lending decisions after December 2018. However, she didn't respond.

My decision will only focus on what happened after December 2018 as Miss M didn't confirm that she disagreed with our Investigator's position on jurisdiction. Furthermore, her correspondence with our service after our Investigator's view focused on Next's actions from December 2018 onwards, so I've taken that to mean she understands and agrees why we can only look at things after that date.

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 considered everything, I'm not upholding Miss M's complaint. I'll explain my reasoning below:

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Miss M's case.

I've decided the credit was provided fairly because:

- I don't think the checks Next did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss M's financial situation.
- Next's credit checks didn't show any adverse data was being reported by credit reference agencies (CRA). And Miss M appeared to be managing her Next account well. However, given her credit limit was due to increase to £5,000, I do consider Next ought to have given some consideration to her income and expenditure to better understand if further borrowing would be affordable and/or sustainable for Miss M.
- If Next had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Miss M.
- Based on the information Miss M has provided about her circumstances at the time; there was nothing to suggest Miss M was likely to be unable to sustainably repay what she was being lent.
- The information Miss M provided suggested she had regular income and a healthy disposable income after paying her existing credit commitments and other essential expenditure. I appreciate Miss M has said some of her benefits were later cut. However, I can only base my findings on the information Next would have been able to consider at the time it made its lending decision. So, anything after this date isn't something I can place weight on. So, had further questions been asked about her income and expenditure, I consider Next could have reasonably concluded the additional borrowing was affordable.
- I've noted what Miss M has said about the credit report she provided to our service, and this doesn't persuade me to reach a different outcome. Both the credit report provided by Miss M and the CRA information provided by Next suggest Miss M was making her payments on time and managing her credit accounts well in February 2019.
- Miss M has also said she didn't receive the level of support she expected when she told Next she was struggling with her account. But I've seen limited information to support this, so I'm not persuaded there's anything further Next needs to do in relation to this complaint point.
- I don't think Next acted unfairly in any other way.

This means I don't think Next did anything wrong when it provided the credit account to Miss M.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Next lent irresponsibly to Miss M or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Miss M hoped for. But for the reasons above, I'm not asking Next to do anything to put things right.

My final decision

My final decision is that I'm not upholding Miss M's complaint about Next Retail Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 January 2025.

Sarrah Turay
Ombudsman