

## **The complaint**

Miss C complains that Next Retail Limited failed to apply a payment she'd sent by cheque to her account and issued a default notice.

## **What happened**

Miss C holds a credit account with Next. She sent a cheque to Next to clear the account. Miss C says that Next has received the cheque but hasn't applied it to her account and hasn't returned the cheque to her.

Miss C says that Next hasn't provided her with a valid reason why the cheque can't be accepted. She complained to Next.

Next didn't uphold the complaint. It said it hasn't accepted cheques as a method of payment for several years. It said that it had no record of ever receiving a cheque from Miss C and if it had received a cheque, this would've been destroyed. Next said that Miss C's account was in arrears and that the default notice was correctly issued.

Miss C remained unhappy and brought her complaint to this service. She provided this service with a Royal Mail tracking number showing that the item was delivered.

Our investigator didn't uphold the complaint. They said that the evidence provided by Miss C didn't show which address the item had been delivered to, and that even if the cheque had been delivered to Next, it wasn't acceptable as a method of payment and would've been destroyed in line with Next's confidential waste process. The investigator said it was up to Next which payment methods it wanted to accept, and this service couldn't require it to accept payments by cheque. The investigator said that Next had written to Miss C several times about the overdue balance on her account which ought to have indicated to Miss C that her cheque payment hadn't been processed. The investigator said that Miss C hadn't arranged to pay her account by another means and that the default notice had been correctly issued.

Miss C didn't agree so I've been asked to review the complaint.

## **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 know it will disappoint Miss C but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, including Miss C's response to the investigator's opinion, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't mention a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Miss C is adamant that she sent a cheque to Next and she's provided a Royal Mail proof of

postage and a tracking number. The postcode on the proof of postage appears to be an address for Next Retail and the tracking information on the Royal Mail website shows that the item was delivered on 23 December 2024 and also on 31 December 2024.

I can't tell from the information provided whether the item which was delivered was a cheque. Nor can I be certain of the delivery date, as there is conflicting information on the Royal Mail website.

Next has told this service that it didn't receive a cheque from Miss C. It has confirmed that the postcode on the proof of posting is correct, but the building name is incorrect. Next has also confirmed that there are several business and residential premises on the road where its office is situated, so it's possible that the item was delivered to the wrong address.

I've checked the system notes provided by Next for Miss C's account. There's nothing to indicate that a cheque – or anything else – was received on 23 December 2024 or 31 December 2024. There's no evidence to suggest that a cheque was received at any time.

Based on the information I've seen, whilst I can conclude that the item was delivered, it isn't possible for me to safely conclude that the item was received by Next. If the item was delivered to the wrong address, Next would not have received it.

Even if I was satisfied that the item was received by Next, this doesn't change my overall decision. This is because Next has explained that it doesn't accept payments by cheque and that it hasn't done so for several years.

It's up to Next to decide which methods of payment it wants to accept. This service can't oblige a business to accept a particular method of payment. I can see that the methods of payments are set out on the monthly statements which were issued to Miss C, so I think she was aware – or ought to have been aware – that cheques weren't an accepted method of payment.

I can see that Miss C has paid her account using other payment methods in the past, so I think she was able to make payment by other means. Next wrote to Miss C several times in early 2025 in relation to the outstanding balance on her account. Miss C would have been aware (from looking at her bank statement) that her cheque hadn't been debited and would've been aware that there was still an outstanding balance on her account because of the letters that Next were sending to her. I can't see that Miss C made a payment by another method, or that she took any steps to contact Next regarding payment or to arrange a payment plan.

I've thought about whether Next acted fairly when it defaulted the account. Having reviewed everything, I'm satisfied that it did. I say this because the account was several months in arrears when it was defaulted. The Information Commissioners Office (ICO) guidance says that a lender can default an account when there are three months of arrears. I can see that Next sent Miss C a default notice in May 2025 warning her that the account would be defaulted if the balance wasn't paid by the date on the notice. Looking at the account, I can't see that Miss C made any payments. In the circumstances, I'm satisfied that the account was correctly defaulted.

Taking everything into account, I'm unable to uphold the complaint. I haven't found any evidence to suggest that Next has made an error or treated Miss C unfairly or unreasonably.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 11 March 2026.

Emma Davy  
**Ombudsman**