

## **Complaint**

Mr D has complained that Shop Direct Finance Company Limited (trading as “Very”) irresponsibly provided him with a catalogue shopping account and limit increases. He’s said that that this resulted in financial difficulties and him having to enter into a debt management plan (“DMP”).

## **Background**

This complaint is about a catalogue shopping account Very initially provided to Mr D in November 2017. Mr D was initially given a credit limit of £600. The following increases were then provided on the account at the following times:

June 2018 – Limit increased to £900  
December 2018 – Limit increased to £1,300.00  
August 2019 – Limit increased to £1,600.00  
February 2020 – Limit increased to £2,100.00

In August 2025, Mr D complained saying that the catalogue shopping account and the limit increases Very provided were unaffordable for him which resulted in financial difficulties and him having to enter into a DMP.

Very did not uphold Mr D’s complaint. It was satisfied that proportionate checks had been carried out at the time of Mr D’s application as well as when he was offered the limit increases and so it was reasonable to lend. When responding to our request for its file on Mr D’s complaint, Very told us that it believed he had complained about the decision to provide the account and the first two limit increases too late.

One of our investigators looked at everything provided and reached the conclusion that proportionate checks would not have shown Very that it shouldn’t have provided this account or the credit limit increases to Mr D. So she didn’t think that Mr D’s complaint should be upheld.

Mr D disagreed with our investigator’s conclusions and asked for an ombudsman’s review of his complaint.

## **My findings**

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### *Basis for my consideration of this complaint*

There are time limits for referring a complaint to the Financial Ombudsman Service. Very has argued that Mr D’s complaint was made too late because he complained more than six

years after the decisions to provide the catalogue shopping account and the first two credit limit increases as well as more than three years after he ought reasonably to have been aware of his cause to make this complaint.

Our investigator explained why it was reasonable to interpret Mr D's complaint as being one alleging that the relationship between him and Very was unfair to him as described in s140A of the Consumer Credit Act 1974 ("CCA"). He also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I've decided not to uphold Mr D's complaint. Given the reasons for this, I'm satisfied that whether Mr D's complaint about the specific lending decisions was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Mr D's complaint should be considered more broadly than just the lending decisions. I consider this to be the case as Mr D has not only complained not about the respective decisions to lend but has also alleged that this unfairly resulted in financial difficulties and him having to enter into a DMP.

I'm therefore satisfied that Mr D's complaint can therefore reasonably be interpreted as a complaint about the overall fairness of the lending relationship between him and Very. I acknowledge Very still doesn't agree we can look Mr D's complaint, but given the outcome I have reached, I do not consider it necessary for me to make any further comment, or reach any findings on these matters. This includes Mr D's arguments on why he believes he complained in time.

In deciding what is fair and reasonable in all the circumstances of Mr D's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mr D's complaint can be reasonably interpreted as being about the fairness of the lending relationship between him and Very, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (Very) and the debtor (Mr D), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. S140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given Mr D's complaint, I therefore need to think about whether Very's decision to initially lend to Mr D and increase his credit limit, or its later actions resulted in the lending relationship between Mr D and Very being unfair to Mr D, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

*Our typical approach to irresponsible and unaffordable lending complaints*

We've set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice - on our website.

Very needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr D could afford to repay what he was being lent in a sustainable manner.

These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

With this in mind, in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate. But certain factors might point to the fact that Very should fairly and reasonably have done more to establish that any lending was sustainable for the consumer.

These factors include:

- the *lower* a consumer's income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- the *greater* the frequency of borrowing, and the longer the period of time during which a customer has been indebted (reflecting the risk that prolonged indebtedness may signal that the borrowing had become, or was becoming, unsustainable).
- There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

Mr D's relationship with Very is therefore likely to be unfair if it didn't carry out reasonable and proportionate checks into Mr D's ability to repay in circumstances where doing so would have revealed the catalogue shopping account or limit increase to be unaffordable, or that it was irresponsible to lend. And if this was the case, Very didn't then remove the unfairness this created somehow.

I've considered Mr D's complaint in this context.

*Did Very act fairly and reasonably in accepting Mr D's application for a catalogue shopping account in November 2017?*

Mr D's account was opened in November 2017 with a credit limit of £600. The catalogue shopping account Very provided Mr D with was a revolving credit facility. This meant that Very was required to understand whether Mr D could repay £600 within a reasonable period of time.

Very carried out a credit check before initially agreeing to provide this account to Mr D. Very has provided a summary of its search results which shows that Mr D didn't have any recent significant adverse information - such as defaulted accounts or county court judgments - recorded against him.

I understand that Mr D may have had defaulted accounts in the past. However, as the most recent occurred in April 2014, I don't think that it was unreasonable for Very to place less

weight on this. Indeed, it's not uncommon for a lender to place more weight on activity within three years of the application. So I'm not persuaded that Mr D's historic defaults meant that he shouldn't have been lent to. This is especially given the low credit limit initially offered.

Furthermore, the information from Mr D's application suggests that he told Very that he had an annual income of around £35,000.00. I'm also mindful that a credit limit of £600 required relatively low monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I've not been provided with any clear evidence to show that Mr D circumstances were such that I could reasonably conclude that he didn't have the funds to make the relatively low monthly payment required for this credit limit. If anything, the information gathered did appear to indicate that it was likely that Mr D would be able to repay £600 within a reasonable period of time in the event that he needed to do so.

As this is the case, I'm satisfied that it wasn't unreasonable for Very to have agreed to this account. And I find that Very didn't treat Mr D unfairly when it initially opened Mr D's account with a credit limit of £600 in November 2017.

*Did Very act fairly and reasonably in offering Mr D the credit limit increases that it did?*

Very increased Mr D's credit limit to £900 in June 2018, £1,300.00 in December 2018, £1,600.00 in August 2019 and finally £2,100.00 in February 2020. In the first instance, I do think that it's worth noting Mr D had made payments totalling almost £1,000.00 in the period between being provided with the account and the month before the final increase being offered to him. There is an argument for saying that Mr D's repayment record did suggest that the higher limits could be affordable.

Nonetheless, given there was the potential that Mr D could end up owing £2,100.00, there is a reasonable argument for saying that Very needed to find out more about Mr D's living expenses before providing these limit increases. As I can't see that Very did this, I've not been persuaded that the checks it carried out before lending were proportionate.

However, even though I've not been persuaded that Very's checks were proportionate, I don't think that further checks would have prevented Very from offering these limit increases to Mr D. I say this because the information Mr D has provided on his circumstances at the time of these limit increases does suggest that he would have sufficient funds left over to be able to afford the monthly payments to this account, once his committed expenditure was deducted from the income he received at this time.

Finally, I appreciate that Mr D has referred to some of the transactions going from his account showing that he was in financial difficulty. I've thought about what Mr D has said. I'm sorry that Mr D has had a difficult time and that he ended up in a DMP. However, Very wasn't required to request bank statements from Mr D.

So it wouldn't have known about all of these transactions or any difficulty that Mr D may have been experiencing. As this is the case, I don't think that the transactions Mr D has referred to means that he shouldn't have been lent to.

Overall, and based on the available evidence I don't find that the lending relationship between Mr D and Very was unfair to Mr D. I've not been persuaded that Very created unfairness in its relationship with Mr D by irresponsibly lending to him whether when initially agreeing to provide him with a catalogue shopping account, or in respect increasing his credit limit on the first two occasions it did.

Furthermore, any unfairness that could potentially have been created by the final two limit increases never manifested as a result of Mr D never using this additional credit either. And I don't find Very treated Mr D unfairly in any other way either based on what I've seen.

So overall and having considered everything, while I can understand Mr D's sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mr D. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 April 2026.

Jeshen Narayanan  
**Ombudsman**