

## The complaint

Ms M complains that Next Retail Limited provided her with an unaffordable catalogue shopping account.

## What happened

Next provided Ms M with a catalogue shopping account in 1998. The information in this case is limited due to the time that the events span; however, based on the available information Next provided Ms M with the facility on the terms I've set out in the table below:

Date	Credit limit increase/decrease	Credit limit
January 1998	Initial limit	Unknown
January 2008*	First known limit	£3,600
April 2013	Increase	£5,000
August 2013	Decrease	£3,600
December 2013	Increase	£5,000
January 2014	Decrease	£1,559
February 2014	Increase	£5,000
April 2017	Decrease	£3,750
October 2017	Increase	£5,000
April 2023	Decrease	£3,000
April 2025	Decrease	£1,500

*\*This is the earliest record Next has been able to provide of the credit limit*

Ms M complained to Next in June 2025 about unaffordable lending. She said Next shouldn't have given her this catalogue shopping account or the credit limit increases, and that she has struggled over the years to maintain the monthly payments. Ms M says Next made unfair lending decisions.

Next issued a final response letter in July 2025 in which it didn't uphold Ms M's complaint. It said it wouldn't consider the events that had taken place more than six years before Ms M had complained, as it considered these to be outside of the regulatory timescales for her to have made her complaint. It did however go on to provide some details about the lending relationship for Ms M's information. Unhappy with Next's response Ms M referred her complaint to our service for review.

One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Ms M's relationship with Next. As such he went on to review the details of the complaint on this basis. Having done so, he didn't find Next had created an unfairness in the relationship, and he didn't uphold the complaint.

Next didn't respond to our investigator's view; Ms M responded and didn't agree. In summary, she maintained her position and said:

- Too much burden was being placed on her to have realised she had cause to complain about Next's lending decisions sooner, especially given financial institutions

- failed to make customers aware that they could complain about such events.
- Next's decision to increase her limit in February 2014 when her account was in arrears was irresponsible, and should have led to our investigator upholding her complaint.
  - She was being penalised for not providing evidence in support of her complaint, whereas Next was being protected.
  - The application of relevant rules and regulations that Next needed to have followed at the time of its lending events haven't been considered by our investigator, and this has led to a bias in their outcome.

As an agreement couldn't be reached the complaint has been passed to me to decide.

### **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.

The information in this case is well known to Ms M and Next, so I don't intend to repeat it in detail here. I'd like to assure both parties I've carefully reviewed everything available to me even though I may not have commented on it, including the change of personal and financial circumstances during this lending relationship that Ms M has made us aware of, which I am sorry to hear of. However, I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Ms M or Next by taking this approach, but this simply reflects the informal nature of our service.

Initially I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and Next has said Ms M's complaint about its lending decisions has been referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about the lending event that Next made more than six years before the complaint was made.

But they also went on to explain why it was reasonable to interpret Ms M's complaint as being about an unfair relationship as described in section 140A (s.140) of the Consumer Credit Act 1974 (CCA); and why they therefore considered Ms M's complaint about an allegedly unfair lending relationship had been made to us in time.

I don't intend to go into the same level of detail our investigator already set out in my decision here, but for the avoidance of doubt I agree with our investigator that I have the power to look at Ms M's complaint on this basis. I say this because I'm satisfied Ms M's complaint is that Next irresponsibly provided her with lending which she says was unaffordable for her, and that this potentially created an unfairness in the relationship.

I acknowledge Ms M's comments that Next didn't make her aware that she could complain about irresponsible or unaffordable lending, and that it was only recently when reviewing her finances that she became aware Next may not have done something correctly when providing this lending. And that while she felt Next had acted unfairly when providing her with this lending, that she considered it was her fault that she struggled with the repayments.

However, it's generally well known that if an individual is unhappy with something that they can complain about it. And while Ms M has said she was aware of a problem, and I note that she was incurring a loss as she was paying interest on the account, I do consider that Ms M ought reasonably to have considered it may have been Next, at least in part, that was responsible for this problem. I say this because it was Next that had provided the lending that Ms M says was unaffordable, and was causing her a problem and a loss.

This lending may have made the relationship unfair, as Ms M may have paid more in interest and charges than she could afford. I acknowledge Next doesn't agree we can look at any events more than six years before Ms M's complaint was made, but as I'm not upholding this complaint, I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Ms M's complaint is about the fairness of her relationship with Next, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (Next) and the debtor (Ms M), 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. Next has confirmed that this account was defaulted and closed in September 2025, and has been passed to a third party debt collector to pursue on its behalf; however, Next is still the owner of the debt. As such I consider I can consider this complaint about an unfair relationship.

S.140B 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 the details of Ms M's complaint, I need to consider whether Next's decision to lend to her, or any other actions it may have taken, created an unfairness in the relationship between her and Next; and if it did, whether Next took reasonable steps to remove that unfairness.

I would add that consumer credit regulation came into effect in April 2007; and that's when our service's jurisdiction to consider complaints about consumer credit activities, such as the lending Ms M complains of here, came into force. As such, I have no authority to consider any of Next's actions pre-April 2007; so, I've gone on to consider the events from April 2007.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Ms M's complaint.

The information in this case is limited, and I don't consider that unreasonable given the time that's passed since some of these events, and the data retention obligations on Next. In the absence of Next being able to provide information, our investigator asked Ms M to provide us with financial evidence around the time of the lending decisions; however, she's been unable to provide us with any information either. Again, I don't consider that surprising or unreasonable, given the time that's now passed since these events.

But this does mean that when information is missing or incomplete, I've needed to base my findings on balance; that's to say what I consider was more likely than not to have happened, or what I consider is more likely than not reasonable in the individual circumstances.

Having considered Ms M's complaint against the available evidence and the various rules and provisions Next needed to follow at the time of these lending events, I don't consider it made unfair lending decisions when providing Ms M with these credit limits. I say this because:

- While I have been able to determine the credit limit in place in January 2008, and that Ms M's credit limit was increased on a number of occasions across the years until the last increase in 2017, it's not clear what checks Next completed to ensure it was responsibly providing Ms M with credit that she could afford to repay.
- In instances such as this where I can't be satisfied a lender's checks were reasonable and in line with its regulatory requirements at the time; our service's well established approach is to consider any other documentary evidence available from around the time of the lending events, either provided by the business or the consumer.
- In the individual circumstances here Ms M hasn't been able to provide any documentary evidence of her financial situation in the lead up to any of these lending events. As I've said above, I don't consider this unreasonable, but in the absence of any evidence suggesting Next unfairly provided Ms M with these limits, I can't reasonably conclude that Next did acted unreasonably by providing them.
- I acknowledge Next has only been able to provide limited information which does place more of a burden on Ms M to provide evidence. But it is Ms M who is suggesting these limits were unaffordable; so, I don't consider it unreasonable that in the absence of evidence from Next that Ms M is required to provide evidence to support her position.
- I acknowledge that Next appears to have increased Ms M's credit limit in February 2014 when her account had been one month in arrears. From the evidence Next has been able to provide it appears that the statement issued on 3 January 2014 noted the account as being in arrears, as the credit limit is reduced on the same day, effectively to the outstanding balance at that time.
- It isn't clear when Ms M brought the account back up to date, but the available evidence suggests it was before the next monthly statement issued on 4 February 2014. I say this because the statement issued on 4 February 2014 makes no reference to there being an arrears balance; and the monthly account monitoring data Next has provided shows no arrears by 4 February 2014 statement.
- This suggests to me, on balance, that the missed payment and arrears reported for January 2014 was more likely to have been an issue with the payment being made/collected, rather than a sign of financial difficulty. I say this given the history of Ms M's account up to this point otherwise shows it was well managed, as it does in the months and years that followed. And Ms M cleared the balance of the account of around £1,500 by the February 2014 statement, rather than just the minimum required, within a month of the arrears being reported.
- While at the time it may have been prudent for Next to have completed more detailed checks before increasing the credit limit back to £5,000 in February 2014; given what I've said above about neither party being able to provide evidence dating back to this time, I can't be satisfied that it didn't, nor that better checks would more likely than not have shown the £5,000 to be unaffordable for Ms M.

So, taking all of the above into account I've not seen anything which leads me to conclude that Next made unfair lending decisions when providing Ms M with these credit limits.

I've gone on to consider if Next has acted unfairly in any other way during this relationship.

I've seen in early 2025 Ms M stopped making her contractual payments to the account. Next started to contact Ms M about the account status and by April 2025 sent Ms M a Notice of Sums in Arrears letter. I've seen further engagement took place with discussions around a payment arrangement being implemented. Next has confirmed that as of September 2025 the account was closed and defaulted due to its status.

Taking into account this evidence, I haven't seen anything which leads me to conclude Next has acted unfairly in any other way.

I acknowledge my decision will likely be disappointing to Ms M; but for the reasons set out above it follows that I'm not directing Next to take any further action in resolution of this complaint.

### **My final decision**

My final decision is that I don't uphold Ms M's complaint about Next Retail Limited.

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

Richard Turner  
**Ombudsman**