

The complaint

Mr H complains about a missed payment marker recorded on his credit file by Next Retail Limited trading as Next Online ('NextPay')

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. However, I've given careful consideration to all of the submissions made before arriving at my decision. Whilst I sympathise with Mr H's situation, I've reached the same outcome as our investigator for broadly the same reasons.

My understanding of what happened in this case is that on 3 July 2025, NextPay told Mr H via his statement (the 'July statement') he'd need to make a minimum payment of £50 on (or before) 27 July 2025. Mr H completed a direct debit mandate ('DD mandate') on 8 July 2025 which was after the July statement was produced. So, it was too late for the direct debit to take effect for the payment due on 27 July 2025.

This is made clear in the DD mandate letter which was sent to Mr H on 8 July 2025. Under the heading: "**When will my Direct Debit payments start?**", (bold NextPay's emphasis) it said that: *"Your Direct Debit will start on your next statement as long as you have allowed 14 working days and your details have been accepted by the bank. Your next statement will confirm the agreed Direct Debit amount and the date within 3 working days that we will request the payment, which can be found at the bottom of your statement against the minimum payment. Until then, you will need to make at least the minimum monthly payment by the date on your statement using one of the alternative methods shown on the reverse of your statement and online at next.co.uk."*

The DD mandate went on to say under the heading: "**What happens if the Direct Debit message is not on my Next Statement?**" (bold NextPay's emphasis), that: *"If there is no Direct Debit message on your statement, it means that your Direct Debit hasn't started yet and the payment won't be taken. This may be because we were still processing your Direct Debit when your statement was produced."*

Reviewing Mr H's July statement, I can see there was no message about a direct debit being set up and he was requested a payment of £50 for that month by 27 July 2025. So, I think it was made reasonably clear to him that he would need to make this payment via another payment method. However, Mr H doesn't think NextPay has acted in line with, amongst other

things, the regulator's (Financial Conduct Authority's) duties. But, in my view, given what he was told in the DD mandate letter dated 8 July 2025 and also his July statement, I think NextPay did provide Mr H with clear, fair and not misleading information as it is required to do so by the regulator. It told him about when the direct debit would likely take effect and in the meantime, he would need to make payments in another way.

Mr H also says he wasn't given a fair opportunity to rectify things before the missed payment was added to his credit file. I accept Mr H paid the amounts that were outstanding within a few days of being notified of the arrears. But I don't think NextPay has acted unfairly or unreasonably in respect of it recording the information about the missed payment. NextPay has a duty to record accurate information with the relevant credit reference agencies. So, I don't think NextPay has made a mistake here. And as I've said above, Mr H was told at the time of setting up the direct debit, that he'd have to make other arrangements to pay whilst there was no direct debit in place. So, I'm satisfied NextPay has acted fairly and reasonably in terms of this part of Mr H's complaint.

I can see there were some customer service failings. In particular, a NextPay agent told Mr H that his credit file wouldn't be impacted. However, this wasn't correct as Mr H's credit file had already been impacted due to the missed payment. I accept this was upsetting for Mr H. But the main upset here was the fact his credit record was impacted by the missed payment. And as I've said, I don't think NextPay made a mistake in this regard. So, I think the £40 already offered to Mr H for the customer service issues is fair and reasonable. I note NextPay said in its final response that this offer was still open to Mr H to accept so I'll leave it with him to decide if he now wishes to accept this offer.

For all these reasons, and whilst I know this will be a disappointing outcome for Mr H, I'm not asking NextPay to take any further steps to put things right.

My final decision

My final decision is that I'm not upholding the complaint as Next Retail Limited trading as Next Online has taken sufficient steps 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 5 February 2026.

Yolande Mcleod
Ombudsman