

The complaint

Miss H complains about the way in which Frasers Group Financial Services Limited trading as Frasers Plus applied interest to her account.

What happened

Miss H held a credit account with Studio which was transferred to Frasers Plus in 2025. She's unhappy because following the transfer, she was put on a 45 month payment plan and the way in which interest was applied changed.

Miss H found it difficult to make payments. She tried to agree an affordable payment plan but says that Frasers Plus has refused to freeze or reduce the interest.

Miss H complained to Frasers Plus. Frasers Plus issued a final response in which it said that at the point when the account was transferred from Studio, Miss H was given the option of opting out of the switch by paying the full balance of £1744.11 within the timeframe specified in the correspondence that was sent. Frasers Plus said that Miss H didn't opt out, so she was transferred onto a 45 month instalment plan, with interest for the duration of the plan included in the balance. Frasers Plus said there was no way of freezing or reducing the interest, but the amount of interest could be reduced by paying the balance over a shorter period. Frasers Plus said that because Miss H's account was in arrears, the re-plan option would not be activated until the account was up to date.

Miss H remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said they didn't think the rate of interest had changed from what it was before the transfer of the account to Frasers Plus. They said the balance was higher because the interest to be charged over the 45 month period had been added at the start. The investigator said they were satisfied that Frasers Plus had explained that the interest due to be charged would be reduced if Miss H agreed a shorter repayment plan. The investigator also said that Frasers Plus had offered to look at a reduced repayment plan for Miss H and had acknowledged what Miss H had said about her circumstances.

Miss H didn't agree. She said she couldn't afford to repay the balance over a shorter period. She said her complaint was that she was locked into a plan which front loaded interest and ignored affordability.

Because Miss H didn't agree 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 H, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the history of the account. The account was transferred to Frasers Plus on 28

July 2025. Prior to the transfer, Frasers Plus wrote to Miss H to explain what would happen with her account. It said the balance would be transferred onto an instalment plan and provided information about how the plan could be set and changed. Frasers Plus also gave Miss H the option of opting out of the transfer by paying the full outstanding balance.

Miss H didn't opt out of the transfer. I can see that her account was placed on a 45-month plan, with interest over the term of the plan added to the balance at the outset.

The essence of Miss H's complaint is about the interest which has been applied to her account. She says that although Frasers Plus has said that the rate of interest is the same as prior to the transfer of the account, this isn't true. She says the interest rate with Frasers Plus is over 48%.

I've reviewed statements of account for the months leading up to the transfer. These show that the interest rate was 48.9%, with interest being charged to the account on a monthly basis.

I've reviewed statements of account post transfer. I've also listened to a call between Miss H and Frasers Plus in which it confirmed that the interest rate was 48.9%.

Based on the information I've seen, I'm satisfied that the interest rate hasn't changed. The interest rate has been 48.9% both before and after the transfer of the account. What has changed is the way in which interest is applied to the account. Prior to the transfer, interest was charged monthly. Following the transfer, the interest for the whole of the payment plan (45 months) was calculated and added to the balance up front.

I've reviewed the contact notes, and I can see that Frasers Plus has explained to Miss H that if she pays off the balance over a shorter period than 45 months, the total interest charged to the account will be reduced.

Miss H has said that the payments aren't affordable for her. She wants to close the account and for interest to be frozen. Frasers Plus has acknowledged Miss H's circumstances and has explained why it isn't possible to freeze interest under the plan.

Taking all the available information into account, I haven't seen any evidence to suggest that Frasers Plus has made an error or treated Miss H unfairly.

I can see that Miss H's plan is in arrears at the moment and that she has completed an income and expenditure form. Frasers Plus has said that in order to set up a payment arrangement, it needs Miss H to provide the financial services team with a date when she can make payment each month to clear the arrears. If Miss H wishes to make a payment arrangement, she should contact Frasers Plus directly.

For the reasons I've explained above, I'm unable to uphold the complaint.

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 H to accept or reject my decision before 17 March 2026.

Emma Davy
Ombudsman