

## The complaint

Mrs R complains that Next Retail Limited restricted the use of her credit facility.

## What happened

Mrs R purchased some goods using her Next credit account. She says she returned the goods to the value of £566 using Next's appointed courier in May 2025, however, the parcel was lost. Mrs R says that she notified Next promptly through its online returns system, and she repeatedly chased a response. Mrs R says that Next failed its obligations under the Consumer Rights Act when it didn't provide her with a refund within 14 days of it being notified of the return. She adds that she didn't receive a refund until 5 July 2025, and only after she repeatedly contacted it.

Mrs R says that Next provided her a refund of the goods she returned, refunded interest of £10.78 and paid her £5 as a goodwill gesture. However, on the same day Next informed her that her NextPay account had been suspended. She said that it asked her to sign a declaration stating that all future orders must be collected from store and all returns must be made in store. She said that she couldn't use her account unless she signed the declaration. Mrs R says she explained the following to Next:

- Imposing a store-only requirement was a material change to her contract with it, which she says is in breach of The Consumer Contracts Regulations 2013.
- Attempting to make her bear the risk of the couriers' losses is contrary to The Consumer Rights Act 2015.
- Mrs R says that requiring her to use the store only is in breach of the Equality Act, as she requires reasonable adjustments due to her being neurodivergent.

Mrs R says that as a result of Next blocking her account, she hasn't been able to use a portion of the 'Next Unlimited' feature she pays for. She adds that she has experienced significant distress as a result of Next's actions. She said Next has left her feeling unfairly accused.

Next responded to Mrs R's complaint but it didn't uphold it. It explained that it had refunded her the cost of the missing items along with compensation and a refund of interest. It explained that due to the number of parcels that had gone missing, an in-store only process would provide a better service. And it explained that while it always refunds Mrs R, this leads to losses for it because it isn't always able to recover the missing items. Next said that Mrs R couldn't use the account until the declaration had been signed – it also said she could still use the courier to receive and return items, however this would be at Mrs R's own risk.

An Investigator considered the information provided by the parties; however, they didn't uphold Mrs R's main concerns. Overall, given that Next had sustained losses as a result of the missing returns, the Investigator didn't find that Next had acted unfairly or unreasonably by putting a restriction in place on the account. However, they felt that some of Next's communications with Mrs R could have been better and so they felt that Next should pay Mrs R £100.

Neither party agreed with the Investigator's view, and so the complaint was passed to me to decide on the matter.

I issued a provisional decision and a jurisdiction decision on Mrs R's complaint – ultimately setting out that there was some of Mrs R's complaint that I didn't have the jurisdiction to consider. And I didn't uphold the merits of the part of Mrs R's complaint I could consider.

To be clear, I have explained to Mrs R that I can't consider her complaint about the following:

- Imposing a store-only requirement for her to shop with it.
- Attempting to make her bear the risk of the couriers' losses
- Requiring her to use the store only is in breach of the Equality Act.
- She didn't receive a refund for her items in the required time as set out in consumer rights legislation.

But I can consider her complaint about the credit facility itself. And what she's said about it having been restricted.

I have copied the relevant parts of my provisional decision about the credit account below.

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having considered all of the available evidence, I don't intend to uphold Mrs R's complaint. I appreciate this decision will come as a disappointment to her, as I can see how strongly she feels about the situation. However, I will explain how I have reached my decision below.*

*Before I do that, it's worth noting here that I'm aware I have summarised Mrs R's complaint in far less detail than she has. I don't intend this as a discourtesy, but merely to reflect my informal role in reaching a fair and reasonable outcome. This also means I haven't commented on everything Mrs R has said, or all the evidence she has provided. However, I can assure Mrs R that I have seen everything she has sent before reaching this outcome.....*

*...So here, I can look at whether it was fair and reasonable of Next to place a restriction on Mrs R's credit facility... So, the following findings will relate to Mrs R's complaint about the credit facility...*

*Firstly, I've looked at the terms and conditions of Mrs R's credit account. I should add here that these are different to the retail terms and conditions Mrs R has provided this Service.*

*Next has provided a copy of the relevant terms and conditions that apply to the credit facility, it isn't a copy of Mrs R's actual credit agreement, but I'm satisfied it is likely very similar, if not the same, to the one Mrs R took out. This states:*

*"We can suspend, restrict or terminate your right to draw credit at any time for any objectively justified reason".*

*So, I'm satisfied that the terms and conditions allow Next to restrict the use of the account for a justifiable reason.*

*Next has said it has made this decision because it hasn't been able to recover the cost of some of the returns Mrs R says she made, but it didn't receive. On each occasion, it has refunded Mrs R the full cost of the items that it says it didn't receive. Which has essentially*

*meant that Next hasn't been able to recoup the costs it has lost. Based on the information I've seen, this has happened on multiple occasions over the years, and more so recently.*

*Given the comments made by Next, I'm satisfied that the account has been restricted for a 'justified' reason.*

*Mrs R does have the option of having the restriction lifted. Next has said that to do this Mrs R would be required to sign a waiver to say that any deliveries and returns using the credit facility are made to store. And that any deliveries or returns that are made to Mrs R's address (or other addresses) will be at her own risk. I accept that Mrs R has said that collecting and returning to store would be more difficult for her given her circumstances, and so she doesn't feel that Next has treated her fairly. But ultimately, Next can restrict or terminate her credit account for 'justifiable reasons', which I'm satisfied it has. Next doesn't have to provide Mrs R with an option to remove the restriction at all. So given that it has given her the option, doesn't feel unfair....*

*I note the Investigator thought that there had been delays in the refund process and that its communications around the waiver it asked her to sign warranted some compensation. But these things are in relation to Next retail, which I can't consider a complaint about. And given that I don't think Next has done anything wrong in relation to the credit facility, I won't be asking it to put things right for her.*

*Because I haven't found that Next has done anything wrong, I don't intend to uphold her complaint. And so I won't be asking it to pay anything to Mrs R."*

Mrs R didn't agree with the provisional decision. I have summarised her main and relevant points below:

- Next's reason for restricting her account (courier losses) is not objectively justified, because the losses were caused by the courier and not her.
- The requirement that she waives statutory rights directly affects the credit agreement, because it creates potential credit debt and therefore constitutes a financial matter.

### **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.

Having considered everything again, I don't uphold Mrs R's complaint.

There isn't much more I can reasonably add to the findings made in my provisional decision. I understand that Mrs R doesn't agree with this. I have read everything she has said in response to my provisional decision. But what she's said doesn't change my view, and I'll cover off her main points below.

Before I go on, I must make it clear that this decision is only considering the restriction of Mrs R's credit facility – this is different and separate to Next restricting the way it asks her to shop with it, which I have already explained isn't a complaint this Service can consider.

It appears the main point Mrs R is unhappy with is that I found that Next had restricted the use of her account for an "objectively justified reason". Mrs R believes that because the losses Next has incurred are the fault of the courier company, and not her, then this cannot

be considered 'objectively justified'. But in my view, Next hasn't acted unfairly or unreasonably.

I say this because Next are incurring losses when Mrs R uses her credit facility to make purchases, the items aren't received back by Next, but it refunds her anyway. Next is entitled to make a commercial decision to mitigate such losses. And therefore, I don't find its actions in it restricting the credit account are unreasonable. And as I've explained, it has given her the option to continue using the credit.

From the information I have seen, Next hasn't asked Mrs R to waive her statutory rights in relation to the credit agreement she has with it. Therefore, I can't agree it has done anything wrong here either.

I can see in response to my provisional decision Mrs R has commented on Consumer Duty, and that Next hasn't acted fairly or reasonably in relation to the Duty. I'm not of the view that Next has acted unreasonably in relation to the credit account, and I've seen nothing to suggest that it has acted outside of what it is required to under the Duty.

### **My final decision**

For the reasons set out above, I don't uphold Mrs R's complaint.

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

Sophie Wilkinson  
**Ombudsman**