

## **The complaint**

Next Retail Limited, trading as Next Online, increased the credit limit on Mr M's account from £3,750 to £5,000 in September 2020. Mr M says this was irresponsible.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them 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.

Having done so, I'm not upholding Mr M's complaint. I'll explain why.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr M's case.

I don't think the checks Next Online performed before increasing the credit limit were reasonable and proportionate. I say this because it had reduced Mr M's credit limit seven months earlier, which must have meant that its automated checks had identified a concern.

There's no set way for how Next Online should have carried out further checks; it could have asked Mr M about his income and expenditure or, if appropriate, it could have reviewed his bank statements.

In reaching my decision, I have used Mr M's bank statements as it is an easy way for this service to understand what proportionate checks would have likely revealed.

Having done so, there is nothing contained within Mr M's bank statements that would indicate any financial difficulty. His monthly income, in the three months prior to the credit limit increase, averaged over £3,800. After taking into account repayments to existing credit and other essential living costs, Mr M appeared to have sufficient disposable income remaining.

I therefore consider it is likely that Next Online would have concluded that the required repayments for this credit limit increase, even if fully utilised, would appear to be affordable, as that is what I have found.

Mr M also says that Next Online didn't provide him with support when he was getting into financial difficulties. I'd like to thank Mr M for his openness and I'm pleased to see that he has received support from a debt charity.

I can see that Next Online set up a reduced payment plan when the charity contacted it, which I think is fair. I can't see any information that would have been available to Next Online prior to this, that would indicate Mr M was in financial difficulty and needing support. I know

this didn't resolve the situation, but the approach is in line with what this service would expect.

I don't think Next Online acted unfairly in any other way and this means I don't think it did anything wrong when it increased Mr M's credit limit.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Next Online lent irresponsibly to Mr M or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr M hoped for. But for the reasons above, I'm not asking Next Online to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding this complaint about Next Retail Limited, trading as Next Online.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 March 2026.

David Barker  
**Ombudsman**