

The complaint

Mr R complains Freemans Public Limited Company defaulted his credit agreement.

What happened

Mr R held a running account credit agreement with Freemans – more commonly known as a catalogue shopping account. In 2022, Mr R's circumstances changed, meaning he had less disposal income.

In May 2022, Mr R spoke with Freemans about his change in circumstances and a reduced payment plan was put in place to repay his outstanding balance. Freemans say the payment plan wasn't maintained, so it issued a notice of default in January 2023. Hearing nothing from Mr R, Freemans defaulted the account in February 2023.

In June 2025, Mr R complained to Freemans. He said it hadn't taken into consideration his additional support needs, so hadn't treated him fairly.

Freemans doesn't agree it's done anything wrong. It says it offered appropriate support however as Mr R didn't maintain the payment plan it was correct to default the account.

Unhappy with Freemans response, Mr R referred his complaint to the Financial Ombudsman. One of our Investigator's looked into what happened and thought Freemans had acted reasonably, so didn't recommend it do anything further.

Mr R disagreed with our Investigator's opinion. He said Freemans hadn't offered enough support and had failed in its duty of care.

As the matter wasn't resolved, 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.

I've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Having done so, while I appreciate this answer will likely come as a disappointment to Mr R, I've reached the same conclusions as our Investigator for broadly the same reasons. I therefore won't be directing Freemans to do anything differently in relation to this complaint.

I note Mr R has previously complained to our Service about Freeman's decision to provide the catalogue shopping account and whether it was responsible in providing this. As we've previously addressed this point I won't comment on it any further. Rather this decision focuses on whether Freeman's did anything wrong when Mr R made it aware he was experiencing financial difficulties.

The Information Commissioner's Office (ICO) says that when a consumer is at least three months behind with their payments then a default may be registered. It also says it would expect a default to be registered by the time the consumer is six months behind with their payments. That's what happened here.

Mr R was in a sustained period of arrears – beginning in September 2022 with no payment being made to remedy the breach in the notice of default issued in January 2023. Because of this Mr R's account was closed and a default reported to the CRAs in February 2023.

Therefore, it appears, Freeman's complied with the guidance set out by the ICO and was reasonable in its decision to default the account given the persistent state of arrears.

I have however given consideration to Mr R's concerns Freeman's didn't treat him fairly, considering his additional support needs. In doing so, while I'm sorry to hear of the challenges Mr R has faced, in the circumstances I've found Freeman's was reasonable in the steps it took.

Having been made aware of Mr R's change in circumstances, he completed an income and expenditure form in July 2022. Mr R and Freeman's then agreed to a repayment plan of £10 per month. While Mr R made a couple of payments towards the outstanding balance, this payment arrangement wasn't maintained.

Freeman's attempted to contact Mr R a number of times, and in November 2022, spoke with Mr R who explained he was still experiencing financial difficulties. It was agreed Mr R would complete another form so Freeman's could understand his financial situation. Freeman's set a month for Mr R to return the form, however never received a response and wasn't able successful when trying to call him. Freeman's also didn't receive any further payments towards the outstanding balance.

Following this Freeman's issued a notice of default in January 2023, setting out what Mr R needed to do, in order to prevent the account from defaulting. As Freeman's received no response, it then proceeded to default the account in February 2023.

Taking everything into consideration, while I appreciate Mr R was going through a difficult time and understand he was struggling with his finances, I've found the actions of Freeman's to be reasonable, so don't find it must do anything differently. When Freeman's was made aware of Mr R's change in financial circumstances it agreed to a repayment plan, and I find was sympathetic in agreeing a way forwards. Freeman's had also noted Mr R's need for additional support and I think took this into consideration when trying to reach him to discuss the account.

However, as a payment plan wasn't maintained, and Freeman's then didn't hear back from Mr R despite trying to reach him a number of times, I don't find it was unreasonable in defaulting the account. This meant that no further charges or interest were applied to the total balance, meaning Mr R's outstanding debt didn't increase, which I think was the appropriate thing to do considering his circumstances at the time.

Therefore, while I appreciate this answer may come as a disappointment to Mr R, I think Freeman's was reasonable in the actions it took for the reasons I've explained above. So, I won't be directing it to do anything further in relation to this complaint.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 10 April 2026.

Christopher Convery
Ombudsman