

## **The complaint**

Mr W complains that Shop Direct Finance Company Limited (“SDFC”) irresponsibly lent to him.

## **What happened**

In May 2025 Mr W applied for an account with SDFC. He previously had an account with them that was closed in 2021. The application in 2025 was approved with a limit of £500. When Mr W applied, the application had to be referred for manual approval due to additional information being required.

A couple of months later, Mr W complained about the lending. He says it shouldn’t ever have been approved because he’s vulnerable, which is something SDFC are aware of from his earlier relationship with them.

SDFC responded, rejecting the complaint. They said the checks they completed were proportionate and there was nothing to suggest the £500 limit wouldn’t be affordable for him.

Mr W referred the complaint to our Service because he was unhappy. He feels they didn’t address his complaint properly. Since the complaint has been with our Service, SDFC have made the decision to write off the outstanding balance and not chase Mr W further for repayments.

Our Investigator explained to Mr W they felt this was fair – she said it goes above and beyond what our Service would usually recommend in the circumstances. Mr W didn’t agree. He wants compensation to be paid and the account to be reinstated. He wants our Service to listen to a call that took place during the Covid lockdown.

Because an agreement couldn’t be reached, 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’d like to start by acknowledging the level of detail Mr W has provided when sending over information to us. It’s clear this complaint means a lot to him, and I can understand why. I’ve not responded in as much detail but this is not as a result of a discourtesy to him. It’s just the informal nature of our Service.

Having done so, I’m not going to ask SDFC to do anything further here. This is because in complaints about irresponsible lending, our approach is to put the consumer back in a position whereby the lending didn’t happen if we find it was irresponsible. To do this, we ask a firm to refund all interest and charges, but say that the consumer should still repay the capital borrowed as they had benefit of those funds.

In this case, SDFC haven’t applied any charges to Mr W’s account, and no payments were ever made towards the account. This means financially, he’s not out of pocket. In addition to this, because of his vulnerabilities, SDFC are confirming that the account is essentially written off – Mr W doesn’t need to make payments towards the capital he owes them. So

even if I'd have decided that SDFC should've taken into account Mr W's vulnerabilities and not lent, he's not lost out as a result.

I understand Mr W has said it's caused him stress, and I'm sorry to hear that. But I think SDFC have done enough to put things right for him. I won't be asking them to offer further compensation.

Mr W said he shouldn't have been given the account because of his vulnerabilities, so it's not reasonable now for him to ask for it to be reinstated. It wouldn't be appropriate for SDFC to do that in these circumstances.

I know Mr W has asked for our Service to listen to a call from around the time Covid was prevalent. But ultimately, regardless of what was said in the call, it's not going to make a difference to the outcome here. SDFC have written off the debt, which is the most I would be looking to ask them to do in these circumstances. Mr W has still had the benefit of the items ordered via SDFC which he's now not being chased for repayment of. It's ultimately the Ombudsman's decision what evidence is required for a complaint, and I don't think a call that took place years prior to this lending decision in May 2025 is required for me to reach a fair outcome.

While I appreciate this is likely to disappoint Mr W, I'm satisfied that SDFC's offer to write off the remaining balance is fair and does enough to put him back in the position he would've been in had the lending not taken place.

In reaching my conclusions, I've also considered whether the lending relationship between Mr W and SDFC might have been unfair to Mr W under s140A of the Consumer Credit Act 1974.

However, I'm satisfied that what SDFC have offered to do here results in fair compensation for Mr W given the overall circumstances of his complaint. For the reasons I've explained, I'm also satisfied that, based on what I've seen, no additional award is appropriate in this case.

### **My final decision**

It's my final decision that I do not uphold this complaint against Shop Direct Finance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 May 2026.

Meg Raymond  
**Ombudsman**