

complaint

Mrs R complains about the way that Shop Direct Finance Company Limited has dealt with her account and about the number of calls that it's attempted to make to her.

background

Mrs R has an account with Shop Direct. She used it in June 2016 to make an order on "buy now – pay later" terms. But she received the wrong items so returned them and made another order that included the items that she'd originally ordered. The returned items weren't refunded to her account and the "buy now – pay later" terms weren't initially applied to the reordered items (which created an outstanding balance on Mrs R's account). Shop Direct made many calls to Mrs R about that balance so she made a complaint. Shop Direct offered to pay her £80 compensation (which it later increased to £200) and to clear the outstanding balance. Mrs R didn't accept its offer and complained to this service.

The investigator recommended that this complaint should be upheld. He said that the amount of calls that Shop Direct attempted to make to Mrs R was excessive – particularly given her age and health issues. So he recommended that Shop Direct should pay £500 compensation to Mrs R for the distress and inconvenience this matter has caused her. He said that the compensation takes into account Shop Direct's initial recognition of Mrs R's poor experience with Shop Direct and reflects the distress caused by the numerous calls she received over a period of time when it should've been aware of her request not to be contacted.

Shop Direct has asked for this complaint to be considered by an ombudsman. It says, in summary, that:

- the number of calls made to Mrs R wasn't excessive and Mrs R didn't answer her phone and didn't speak to it regarding her complaint and medical difficulties;
- Mrs R didn't make it aware of her medical conditions until the complaint was raised to this service; and
- it disputes that the January 2017 letter was ever received by it as it doesn't have any record of that handwritten letter.

my findings

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

Mrs R ordered some items using her Shop Direct account in June 2016. She says that she received the wrong items so she returned them and made another order which included the correct items. The “buy now – pay later” offer wasn’t initially applied to the re-ordered items so she contacted it and it agreed to apply the offer to four of the six items ordered (and the other two items were cleared from the account by a £30 credit that was applied to the account). Shop Direct says that the returned items weren’t received so weren’t refunded to Mrs R’s account. Mrs R paid for the re-ordered items in July 2016 but she didn’t pay for the items that she’d returned. Shop Direct continued to ask her for payment for that order and applied interest and charges to the account – which went into arrears in December 2016. The outstanding balance on Mrs R’s account in November 2017 was £213.91. Shop Direct has offered to clear the account balance in recognition of the length of time that Mrs R’s complaint had been unresolved and Mrs R’s customer experience. Mrs R clearly said in her letters to Shop Direct that she’d returned the items but I’m not persuaded that there’s enough evidence to show that Shop Direct properly investigated this matter or that it explained its processes to Mrs R.

Mrs R sent a handwritten letter to Shop Direct in January 2017 in which she said that she was a disabled pensioner, that she was going away for two months from February 2017, that she didn’t want to return to any more wrong statements and that she didn’t want to be contacted on her mobile while she was away because she’d be charged for the calls. Shop Direct disputes that it received that letter and says that it doesn’t have a copy of it. But it sent a letter to Mrs R in February which dealt with some of the points raised in Mrs R’s letter – so I consider it to be more likely than not that her letter was received.

Despite Mrs R telling Shop Direct that she would be away for two months and asking it not to call her, it continued to make calls. Its call log shows that 36 attempted calls were made to her over a ten day period when she was away in March 2017. Mrs R didn’t answer those calls and didn’t make Shop Direct aware at that time of the health issues that she was suffering. But I consider that the number of calls that were attempted to Mrs R in these circumstances was excessive and inappropriate. Shop Direct offered to pay £80 to Mrs R for any distress and inconvenience she may have experienced as a result of her experience – and it then increased that offer to £200. But I consider that a higher amount of compensation is justified in these circumstances. And in addition to clearing the balance on Mrs R’s account, I consider that £500 would be fair and reasonable compensation for the distress and inconvenience that Mrs R has been caused by Shop Direct.

Shop Direct has also offered to remove any derogatory information from Mrs R’s credit file from December 2016 when the account went into arrears and I consider that to be fair and reasonable in the circumstances.

my decision

For these reasons, my decision is that I uphold Mrs R’s complaint. In full and final settlement of it, I order. Shop Direct Finance Company Limited to:

1. Clear the outstanding balance on Mrs R’s account.
2. Pay £500 to Mrs R to compensate her for the distress and inconvenience that she’s been caused.
3. Remove any adverse information from Mrs R’s credit file that relates to the account from December 2016.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 16 February 2018.

Jarrold Hastings
ombudsman