

complaint

Mrs M complains that LRUK (RETAIL) LIMITED (trading as La Redoute) has not been treating her reasonably regarding arrears on her catalogue shopping account.

background

By 2010 Mrs M owed about £1,500 on the account and told La Redoute she was in financial difficulties. The account was put in the hands of debt collectors and various repayment plans were agreed. By 2015 Mrs M still owed £520. Mrs M said that La Redoute told her at one point that she had a PPI policy which would cover her payments. But that turned out to be wrong. She thought some of her payments had been lost, and said she had been told she might incur an extra charge. She expressed concern about interest and charges on the account.

La Redoute accepted that it had wrongly told Mrs M that she had a PPI policy which would cover payments, when actually the policy had been cancelled. It had also given her information which led her to believe that payments were missing (when they were not), and she had been asked for evidence about them. It offered £100 in compensation.

Our adjudicator did not identify any other failings, but thought that when there had been two mistakes more compensation should be offered. He thought £250 paid into the account would be fair and reasonable.

La Redoute accepted the adjudicator's view and said it had reduced the debt by £250. The remaining £270 now needed to be paid direct to La Redoute (not debt collectors). It would be happy to arrange a plan to do that.

Mrs M asked for an ombudsman to consider the complaint. She thought the whole debt should now be written off. She said she felt unable to trust anything La Redoute said. She said she dreaded having to deal with them. Writing off the whole debt would show that they understood the stress caused already and that they realised the further stress caused by leaving some money still to pay. She said she felt the way they had dealt with her as a person with a disability was unsatisfactory.

my findings

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

It is now clear that Mrs M has not been asked to pay any interest or charges since 2010, which is fair and reasonable in the circumstances. And it now seems clear that the relevant payments she made have all been credited to the account.

Mrs M has been trying hard to pay off the debt since 2010 and has had some confusing contacts with La Redoute (or their debt collectors). So I can understand why she would much prefer not to have to have further contacts, and so would like all the debt written off.

But I have to consider what is fair and reasonable in all the circumstances. I haven't seen anything to suggest that Mrs M has suffered any actual financial loss because of anything La Redoute did. I can see that the incorrect information about PPI would have raised Mrs M's hopes only to dash them, as her policy had been cancelled a long time before. I can also see

that it would be worrying to think payments had gone missing, and annoying to be asked for copy bank statements unnecessarily. However, even taking into account Mrs M's disability, I cannot see that it would be fair to expect as much as £520 to be written off. I think that the £250 proposed by the adjudicator is fair and reasonable.

my final decision

My decision is that I uphold this complaint. I think La Redoute has already reduced the debt by £250. But if it has not yet done that, in full and final settlement I order LRUUK (RETAIL) LIMITED (trading as La Redoute) to reduce Mrs M's debt on her account by £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 May 2016.

Hilary Bainbridge
ombudsman