

## **complaint**

Mr H complains about the adverse information that Shop Direct Finance Company Limited has recorded on his credit file and about the late payment fees that have been charged to his account.

## **background**

Mr H has had an account with Shop Direct since 2004. It sent an account statement to him in November 2016 which said that the minimum payment of £60.77 needed to be received within 20 days. But Mr H's minimum payment was received three days late. So Shop Direct charged a late payment fee of £12 to his account. And the payments that were due for statements that were sent to him in January, February and March 2017 were all received after the due dates. So Shop Direct charged a late payment fee each time and it recorded late payment information on Mr H's credit file. He complained to Shop Direct but wasn't satisfied with its response so complained to this service.

The adjudicator said that Shop Direct was entitled to levy the charges that it did - with the exception of the November 2016 charge – and to mark the arrears on Mr H's credit file. Shop Direct had agreed to refund the November 2016 charge as a gesture of goodwill. And the adjudicator considered that a refund of the £12 fee was a reasonable basis for settlement.

Mr H has asked for his complaint to be considered by an ombudsman. He says, in summary, that:

- the terms and conditions weren't clear to him at the outset;
- the November to February period is financially tight for many people;
- no other issues have occurred with his account;
- a reasonable person would expect a monthly payment to suffice and would expect at least 30 days to make another payment;
- he has no other adverse credit history and has paid credit card bills on time for every other product that he has;
- the adverse credit information should be removed; and
- he should receive some sort of recognition for the distress that he's been caused.

## **my findings**

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

Shop Direct has provided evidence to show that the payments that were due from Mr H for the statements that were sent to him in November 2016 and January, February and March 2017 were received after the payment due dates. So it applied a late payment fee of £12 to his account for each of those payments. I've not seen any evidence to show that Mr H told Shop Direct that his payments would be late, that he was experiencing financial difficulties or that he needed more time to make the payments that were due.

The account terms and conditions say that statements will be issued every 28 days and that the payment will be due 20 days after the date of the statement. Mr H accepted those terms and conditions when he opened his account and he has regularly received statements and made payments on that basis. I'm not persuaded that it's unreasonable for Shop Direct to send statements to its customers every 28 days or that there's any requirement that the statement should cover a calendar month.

Shop Direct is required to record true and accurate information about a customer's payment history on their credit file. It recorded adverse information about Mr H's late payments on his credit file. I consider that the information that it's recorded is true and accurate. And I'm not persuaded that it would be fair or reasonable in these circumstances for me to require it to remove the adverse information that it's recorded on Mr H's credit file about his late payments.

Shop Direct has agreed to refund the £12 late payment fee that it applied to Mr H's account in November 2016. And I'm not persuaded that it would be fair or reasonable for me to require it to refund to Mr H any of the other late payment fees that it's applied to his account, to pay him any other compensation or take any other action in response to his complaint.

### **my final decision**

For these reasons, my decision is that Shop Direct Finance Company Limited should refund £12 to Mr H's account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 November 2018.

Jarrold Hastings  
**ombudsman**