

## **complaint**

Miss B complains that Shop Direct Finance Company Limited (trading as Very) sold her account to a debt collection agency while she was maintaining the agreed payments and without discussing this with her.

## **background**

Miss B entered in to a credit agreement with Very in May 2016. A temporary payment arrangement was set up but as payments fell into arrears the account was passed to a debt collection agency. Miss B complained about this and it was found her address hadn't been updated and so Very bought back her account.

Miss B then set up another payment arrangement on her account. She says that payments were due to be made on the 1<sup>st</sup> of each month and although she made the payments she was told she hadn't stuck to the payment plan. She says that she wasn't told that a default was to be applied to her account and her account was again to be sold to the debt collection agency. She says she should've been called to discuss this before action was taken.

Miss B says she is being chased by the debt collection agency and that this issue is affecting her health.

Very says that Miss B was sent a default notice on 19 September 2018 after which she contacted it to put a payment arrangement in place. It says this was set up with payments being due every 28 days. However Miss B didn't make the payments on time and so the payment arrangement failed and the account defaulted. The account was sold to a debt collection agency on 19 January 2019. It says it acted in line with its terms and conditions.

Very did note that Miss B had received some incorrect advice on a web chat on 20 November 2018 for which it apologised. However it said it wasn't able to bring Miss B's account back to Very as she was told when her payments were due when the payment arrangement was set up and in her statements.

Our investigator didn't uphold this complaint. He thought that Very had done enough to let Miss B know about the situation on her account including sending her a default notice. When Very was made aware of Miss B's financial difficulties it suspended all interest and charges and agreed to set up a payment plan. Our investigator said this showed it had acted positively and sympathetically towards Miss B.

Miss B didn't accept our investigator's view. She reiterated that she hadn't received the paper statements and thought payments were due on the 1<sup>st</sup> of each month. She said that if she had received the statements she would have made contact to discuss the late payments. She also said she didn't receive the default notice and doesn't think it fair that her account was sold to a third party without speaking to her about her financial circumstances.

## **my findings**

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

Miss B is unhappy that her account was sold to a debt collection agency while she was in a payment arrangement. I understand why this has upset her and note that the account had

previously been sold and bought back. However my role is to consider whether Very did anything wrong by transferring Miss B's account to a debt collection agency in January 2019. I also note the comments about being chased by the debt collection agency however this complaint is about Very and so I have considered its actions in regard to Miss B's account.

I understand that Miss B believed that her payments were due on 1<sup>st</sup> of each month. However having listened to the call when the payment arrangement was set up she was told that payments were due every 28 days. This was then confirmed in the payment arrangement letter. The due date for payments was also set out in her statements.

While I note Miss B's comments about not receiving statements I find that Very did do enough to inform her of when her payments were due. As these were not made by the due date I do not find it unreasonable that further action was taken.

Miss B says she didn't receive the default letter although I note she makes reference to this when she calls Very to set up her payment plan. Very has provided copies of its notes which say the default notice was sent and an example of its default letter which sets out that further action can be taken. In the terms and conditions of the account it also sets out that an account may be transferred to a debt collection agency if payments are missed. Therefore, I do not find that I can say Very did anything wrong by transferring Miss B's account to the debt collection agency when her payments weren't maintained.

When a customer is in financial difficulties, we expect them to be treated positively and sympathetically. In this case Very put payment arrangement in place and suspended interest and charges. I find that this shows it did treat Miss B positively given her situation.

Overall, while I understand that Miss B believed her payments were due on the 1<sup>st</sup> of each month I think Very did enough to tell her that payments were due every 28 days. As the payments weren't maintained I do not find it did anything wrong by taking further action. Because of this I do not require it to do anything further in response to this complaint.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 23 August 2019.

Jane Archer  
**ombudsman**