

complaint

Mrs N complains that Shop Direct Finance Company Limited won't refund to her the money that she's been charged for an item that she didn't receive.

background

Mrs N had a credit account with Shop Direct. She told Shop Direct about her change of address in June 2013 and she made an order for delivery to her new address. The next day she made an order for a handheld vacuum cleaner – but she says that she didn't receive it so she didn't pay for it. Shop Direct sent her monthly statements which showed the charge for the handheld vacuum cleaner and a delivery charge. Because of the arrears on the account it issued a default notice to Mrs N in December 2013 and her account was legally assigned to a third party. Mrs N paid £479.87 to the third party in February 2017 and she then complained to Shop Direct about the charge for the vacuum cleaner. It paid her £20 because of its delay in dealing with her complaint – but she returned the cheque. She wasn't satisfied with its response so complained to this service. Shop Direct said that it had failed to address Mrs N's complaint correctly in its final response so it offered her a further £50 compensation for any distress and inconvenience caused.

The adjudicator didn't recommend that this complaint should be upheld. She said that Mrs N's account was assigned to the third party in January 2014 with a balance of £320.63 (which comprised £134.10 for the vacuum cleaner and the rest for other items which she hadn't disputed). The third party offered to remove the charge for the vacuum cleaner and the adjudicator didn't believe that Shop Direct had made an error. She thought that its offer to pay a further £50 to Mrs N was fair and reasonable.

Mrs N has asked for her complaint to be considered by an ombudsman. She says, in summary, that she's complained because she's being pursued by Shop Direct and the third party for payment for an item that didn't go to her address and wasn't ordered by her. She says that the third party obtained a judgment against her for £479.87 and she felt that she had no option but to pay it.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. This complaint is about Shop Direct and I'm unable to deal with any issues about the third party as part of it. If Mrs N wants to complain about the actions of the third party she would need to make a separate complaint to the third party – and she then may be able complain to this service if she's not satisfied with its response.

Mrs N used her account in June 2013 to order a handheld vacuum cleaner and other items. The charges for those items were added to her account – but Mrs N didn't pay for them. Shop Direct says that Mrs N had agreed to receive monthly account statements online but that it also sent statements to her when the account went into arrears. Because of the arrears on the account, Shop Direct issued a default notice to Mrs N and assigned the account to the third party. Mrs N then complained to Shop Direct earlier this year (nearly four years later) that she hadn't received the vacuum cleaner.

I'm not persuaded that there's enough evidence to show that Mrs N had contacted Shop Direct to say that she hadn't ordered or received the vacuum cleaner before her account was

assigned to the third party. And I'm not persuaded that there's enough evidence to show that Mrs N didn't order or receive the vacuum cleaner. She didn't make payments for the items that she did order so I consider that it was fair and reasonable for Shop Direct to default the account and to assign it to the third party.

I understand that the third party offered to reduce the amount that Mrs N owed by the cost of the vacuum cleaner – but she didn't make a payment to the third party. Mrs N says that she only made payment to the third party when it had obtained a judgment against her – and the judgment amount is likely to have included the cost of the vacuum cleaner and other costs connected with the judgment. But I find that it wouldn't be fair or reasonable in these circumstances for me to require Shop Direct to refund to Mrs N the cost of the vacuum cleaner.

Shop Direct sent Mrs N a cheque for £20 because of its delay in dealing with her complaint (but she says that she returned the cheque) and it offered her a further £50 because it failed to address her complaint correctly in its final response. I find that it would be fair and reasonable for Mrs N to receive a total of £70 compensation – so Shop Direct should pay her £50 and a further £20 if the cheque that it sent to her hasn't been cashed. But I don't consider that it would be fair or reasonable for me to require it to pay her any other money - or to take any other action in response to her complaint.

my final decision

For these reasons, my decision is that, in full and final settlement of Mrs N's complaint, Shop Direct Finance Company Limited should pay a total of £70 compensation to Mrs N.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 7 December 2017.

Jarrold Hastings
ombudsman