

## **complaint**

Ms T complains about the way that Shop Direct Finance Company Limited has dealt with her online shopping account.

## **background**

Ms T has had an online shopping account with Shop Direct since 1998. She complained to it about a number of issues with her account and it paid her a total of £70 compensation and refunded interest totalling £43.18. She wasn't satisfied with its response so complained to this service. Her complaint is that: she returned a pair of sunglasses that she ordered in June 2017 but they are still showing on her account; a payment of £350 to the account wasn't allocated correctly; payments totalling £450 aren't showing on the account; and some items that should have been on "*buy now – pay later*" terms were included in her outstanding balance. Since then Shop Direct has also offered to refund the cost of the sunglasses to Ms T's account.

The investigator recommended that this complaint should be upheld. He considered it to be more than likely that Ms T had paid for the sunglasses and that she'd raised her concerns a number of times but no action seemed to have been taken to rectify that. He recommended that Shop Direct should pay £200 compensation to Ms T for the time and effort spent trying to resolve that issue and the inconvenience it had caused (and that was on top of the refund for the sunglasses). He also recommended that Shop Direct should review the information that it has reported on Ms T's credit file - keeping in mind the incorrectly charged item - and make any adjustments necessary. He said that there had been some other failings by Shop Direct but he believed that the compensation and refund of interest that it had provided was reasonable in the circumstances.

Ms T has made a subject access request and asked for time to review the documents so she could raise any other points. Shop Direct has asked for this complaint to be considered by an ombudsman. It has provided a statement of account and says that:

- it clearly shows that the sunglasses were credited back to the account and Ms T has always had a shopping balance and a "*buy now – pay later*" balance with requested payments on every statement;
- it would not amend her credit file due to additional orders being made and no payments being received;
- Ms T was provided with incorrect information about the sunglasses which led her to believe that she was paying for them and an incorrect adjustment was made which led to confusion by its call handlers (and also Ms T) but her balance was not increased by £125;
- due to the incorrect information and confusion caused, it proposed to credit an additional £125 to Ms T's account but she was not happy with its offer;
- the sunglasses were credited on statement 252 so Ms T wasn't charged for them; and
- it would not offer to amend her credit file when her balance was over £700 for additional orders made.

## **my provisional decision**

After considering all of the evidence, I issued a provisional decision on this complaint to Ms T and to Shop Direct on 25 March 2020. In my provisional decision I said as follows:

*"I agree with the investigator that Shop Direct has allocated Ms T's payments to her account correctly. It has paid her a total of £70 compensation and refunded interest of £43.18 because of some service issues.*

*I also agree with the investigator that it hasn't dealt with the issues about the sunglasses correctly. It has provided account statements which show that Ms T was charged £125 for the sunglasses in June 2017 and that the £125 was refunded to her account later that month. Ms T has obtained recordings of her phone calls with it from Shop Direct. It's clear from those recordings that Ms T was repeatedly told that the sunglasses were still in her account and that the outstanding amount due for them was decreasing as payments were allocated against the balance.*

*Shop Direct accepts that it gave incorrect information to Ms T because an incorrect adjustment was made which led to confusion by its call handlers (and also Ms T) but that her balance was not increased by £125. It has offered to refund the £125 to Ms T's account.*

*The cost of the sunglasses was refunded to Ms T's account in June 2017 and I consider it to be more likely than not that the £125 cost of the sunglasses hasn't been re-applied to her account. Ms T hasn't been able to provide any documents showing the charge of £125 for the sunglasses (other than the original charge in June 2017 that was then refunded to her account).*

*But the incorrect adjustment that was made by Shop Direct and the incorrect information that it gave to her has led her to understand that she has been charged for the sunglasses. These events have caused Ms T considerable and avoidable distress and inconvenience over a long period. I consider that it would be fair and reasonable in these circumstances for Shop Direct to credit Ms T's account with £125 and to also pay her £200 to compensate her for the distress and inconvenience that she's been caused (and that's in addition to the £70 compensation that it has paid her for the other service issues).*

*The balance on Ms T's account since February 2019 has been £737.70 – and I'm not persuaded that there's enough evidence to show that that balance includes the cost of the sunglasses. Ms T has made no payments to the account during that period and Shop Direct has recorded adverse information about her payment history on her credit file. I'm not persuaded that there's enough evidence to show that the information that it's recorded isn't a true and accurate record of her payment history. So I find that it wouldn't be fair or reasonable in these circumstances for me to require it to remove or amend that information".*

So subject to any further representations by Ms T or Shop Direct, my provisional decision was that I was minded to uphold this complaint in part.

Shop Direct has accepted my provisional decision but Ms T has responded to it in detail and says, in summary, that:

- the £70 and £43.18 that were paid to her were for different issues and weren't to do with the sunglasses - which is where this complaint stemmed from - and she doesn't agree that a dispute from a different order should be highlighted on this complaint which is about the sunglasses;

- Shop Direct hasn't provided her with the information that she's requested but the call recordings show that the sunglasses were included in her shopping account and she doesn't understand how she was given the wrong information so many times;
- she should not have to make interest payments for the sunglasses when the fault was from Shop Direct; and
- she has further issues with the outstanding balance of her shopping account.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not persuaded that I should change my provisional decision.

Ms T's initial complaint to this service was about a number of issues with her account – not just the sunglasses – so for completeness I have briefly referred to the way that Shop Direct has dealt with those issues.

It's clear that Shop Direct has given incorrect (and inconsistent) information to Ms T about the sunglasses. But I'm not persuaded that there's enough evidence to show that the charge of £125 for the sunglasses remains on her account. Shop Direct offered to refund £125 to her account, I have said that it should credit that amount to her account and it has agreed to do so.

As I'm not persuaded that the charge for the sunglasses remains on the account, it follows that I don't consider that Ms T has been charged interest on the cost of the sunglasses. So I don't consider that it would be fair or reasonable for me to require Shop Direct to refund any interest to her.

These events have caused Ms T considerable and avoidable distress and inconvenience over a long period. So in addition to the credit of £125 referred to above, I consider that it would be fair and reasonable for Shop Direct to pay £200 to Ms T to compensate her for the distress and inconvenience that she's been caused. Shop Direct has now agreed to pay her £200 compensation.

I'm not persuaded that Ms T has provided enough evidence to show that the outstanding balance on her account is incorrect or that Shop Direct has recorded incorrect information about the account on her credit file.

I sympathise with Ms T for the issues that she's had with her account and I can understand the frustration that she feels. I also sympathise with her for the effect that these events have had on her health. But I find that it would be fair and reasonable in these circumstances for Shop Direct to credit her account with £125 and to pay her £200 compensation for the distress and inconvenience that she's been caused. I'm not persuaded that it would be fair or reasonable in these circumstances for me to require it to take any other action in response to her complaint.

## **my decision**

For the reasons set out above, my decision is that I uphold Ms T's complaint in part and I order Shop Direct Finance Company Limited to:

1. Credit £125 to Ms T's account.

2. Pay £200 to Ms T to compensate her for the distress and in convenience that she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 2 July 2020.

Jarrold Hastings  
**ombudsman**