

complaint

Mr G complains about the way that Shop Direct Finance Company Limited has dealt with his accounts.

background

Mr G opened an account with Shop Direct in 1996 with a credit limit of £450 – which was increased over time to £10,000. He opened two other accounts with Shop Direct in 2005 with limits of £3,000 and £1,000 which were increased to £7,300 and £5,350. He complained to Shop Direct about a number of issues with his accounts, including:

- his debts have been sold to another company;
- his credit limits had been increased despite his unemployment and them being unaffordable;
- the interest and administration charges added to the accounts;
- his credit limits being reduced without notice or any explanation;
- adverse information being recorded on his credit file; and
- some items not being delivered but being charged to his account.

He wasn't satisfied with Shop Direct's response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. He said that:

- Shop Direct was required to make a reasonable assessment of Mr G's requests for increased credit limits – and it says that it checked his credit report before agreeing to them. The conduct of his accounts was satisfactory and the adjudicator didn't believe it would have concerned Shop Direct when it looked at increasing the limits;
- Shop Direct says that only one of the accounts is a normal interest bearing account – the other two are on 'buy now pay later' terms – and the adjudicator said that Mr G would've agreed to the terms when he opened the accounts. And he said that Shop Direct was entitled to charge interest in line with the agreement;
- the terms of the accounts say that Shop Direct can reduce the credit limit from time to time – and it says that Mr G hadn't made any payments since December 2014 so all three accounts were assigned to debt collection agencies. The terms of the accounts allow Shop Direct to transfer all its rights, duties and obligations to third parties – so the adjudicator didn't think it was wrong for Shop Direct to assign the debts to third parties;
- Mr G should provide details of items that he had ordered but not received to Shop Direct so that it can investigate them further;
- Shop Direct should try to provide copies of the last six years' account statements to Mr G;
- Shop Direct had offered to refund £60 charges on account ending 252, £48 on account ending 479 and £60 on account ending 131 to settle the complaint – and the adjudicator considered that to be fair and reasonable in the circumstances.

Shop Direct then increased its offer to Mr G. It offered to refund £123 to Mr G's account ending 252, £87 to his account ending 749 and £3,069.97 to his account ending 131. Mr G accepted the offer and the refunds were made by Shop Direct. But Mr G then asked for his complaint to be considered by an ombudsman. He says that there are errors in the adjudicator's assessment and that he would provide further information – but he hasn't done so. And he says that he was expecting to receive money from Shop Direct but it has shuffled his debts and reduced the amount that he owes to his creditors.

my findings

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

I sympathise with Mr G for the health, personal and financial issues that he's experiencing. But he hasn't provided any information to show which aspects of the adjudicator's assessment he considers to be incorrect. Shop Direct offered to refund a total of £3,279.97 to Mr G's accounts – and he accepted that offer. The refunds have been made and I'm not persuaded that Shop Direct offered to pay any money to Mr G – the offer was to refund money to his accounts. The refunds made by Shop Direct are more than I would have required it to refund in these circumstances – so I find that it has acted fairly and reasonably. I'm not persuaded that there's enough information to show that Shop Direct has acted incorrectly. And I find that it wouldn't be fair or reasonable for me to require Shop Direct to refund any other charges or interest to Mr G or to take any other action in response to his complaint. But Shop Direct – and the companies to which it has transferred Mr G's debts – must respond to his financial and other difficulties positively and sympathetically.

my final decision

For these reasons, my decision is that I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 November 2016.

Jarrold Hastings
ombudsman