

complaint

Ms S complains about charges applied to her account with Home Retail Group Card Services Limited.

background

Ms S is unhappy because Home Retail Group refunded incorrect charges to her account to offset her outstanding balance instead of sending her a cheque.

In 2017, whilst carrying out a review of customer accounts, Home Retail Group realised it had incorrectly applied late payment charges to some accounts. Ms S had been incorrectly charged £96.00 between July 2007 and July 2010.

After discovering the error, Home Retail Group applied interest to the incorrect charges which brought the total refund to £236.26.

At the time of issuing the refund, Ms S had an outstanding balance so Home Retail Group applied the refund to her account to reduce the outstanding balance.

Ms S complained to Home Retail Group. She said the refund should have been sent to her. Home Retail Group rejected the complaint. It said it was allowed to apply the refund to Ms S's account under the terms and conditions. Ms S wasn't happy with the response so she complained to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions of the account allowed Home Retail Group to set off any sums it owed Ms S against any debt she owed under the agreement.

Ms S didn't agree. She said that because she was subject to a Debt Relief Order in 2010/2011, the debt to Home Retail Group no longer existed at the time the refund was issued and because of this the refund should have been sent to her.

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've looked at the terms and conditions of Ms S's account. These say that Home Retail Group have the right to apply any sums it owes to Ms S against any balance owed by Ms S. At the time when the refund was issued Ms S had an outstanding balance showing on her account. I'm satisfied that Home Retail Group didn't do anything wrong because it acted in line with the terms and conditions.

I've thought about the effect (if any) that Ms S's Debt Relief Order may have had on her account with Home Retail Group. Certain types of debt can be written off if a DRO is approved and all of the conditions met for the full 12 month period. Only debts which are included in the DRO can be written off. I haven't seen any information to be certain that the debt to Home Retail Group was included in Ms S's DRO and/or whether Ms S met all of the conditions of the DRO for the full 12 months. So I can't say whether the debt should have been written off or not.

Based on the available information, I'm satisfied that Home Retail Group acted in line with the terms and conditions when it applied Ms S's refund to her account. For the reasons I've explained I won't be asking Home Retail Group to do anything.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 29 November 2018.

Emma Davy
ombudsman