

complaint

Ms D complains that Next Retail Limited won't write-off her debt.

background

Ms D entered into a credit agreement with Next in May 2017 and Next says that she ran up a debt with purchases made in November and December 2017. It says that she contacted it about the debt in June 2018 and asked for the debt to be written-off because of her medical issues. Next suggested a debt repayment plan and asked for further medical evidence (and it offered to cover the cost of a letter from her doctor). Next says that Ms D provided a copy of her benefits claim review. It said that the responsible course of action was to register a default and for Ms D to pay £1 each month (but given her health issues it said that it wouldn't refer the debt to a debt collection company). Ms D wasn't satisfied with its response so complained to this service. She complains that Next hasn't agreed to write-off her debt, about the service that she's received, that she wants it to delete the medical and benefits information that she sent to it and about the increase in her credit limit.

The investigator didn't recommend that this complaint should be upheld. She didn't think that Next had acted unreasonably – so she said that she couldn't fairly ask it to write-off Ms D's debt.

Ms D has asked for her complaint to be considered by an ombudsman but she'd provided no further information in response to the investigator's recommendation.

my findings

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

A lender is required to respond to a customer's financial difficulties positively and sympathetically. That doesn't mean that it must write-off a customer's debt, or take any other particular action, as what's appropriate in each case will depend on the customer's individual circumstances.

When Next was contacted by Ms D about her financial difficulties and health issues it suggested a debt repayment plan and it asked her for up to date medical information to support her claim. She said that she couldn't afford to provide a letter from her doctor but offered to provide a copy of her benefits claim review. Next offered to cover the cost of a letter from her doctor.

On the basis of the evidence that it had received, Next then said that it believed the responsible course of action in these circumstances was to register a default and for Ms D to pay it £1 each month if she was able to do so – and that it wouldn't refer her debt to a debt collection company because of her health issues. I consider that it acted promptly and sympathetically to her financial difficulties. And I find that it wouldn't be fair or reasonable in these circumstances for me to require Next to write-off Ms D's debt.

And I consider that it was fair and reasonable for Next to ask Ms D to provide further medical evidence and other information in support of her claim. In an e-mail to Next in June 2018, Ms D said that she was happy to provide evidence of her benefits entitlement but couldn't afford to pay for a letter from her doctor. Next then offered to pay for the letter from her

doctor and accepted the benefits claim review that she provided. So I'm not persuaded that there's enough evidence to show that the service that she received from Next fell below an acceptable level. And Ms D received £30 compensation from Next in August 2018.

Ms D now says that she wants Next to delete the evidence that she provided about her benefits claim and the medical information that she sent it. The investigator has contacted Next and it has said that it will delete that information. I consider that to be fair and reasonable.

When Ms D's account was opened in May 2017 it had a credit limit of £350. When the credit limit was reviewed six months later, Next offered to increase the credit limit to £3,750. It says that it checked Ms D's credit score and, in the six months that her account had been opened, she'd consistently made payments higher than the minimum required. So it says that the increased credit limit that it offered to Ms D was appropriate in the circumstances. And although the increase was larger than I would normally expect, I'm not persuaded that there's enough evidence to show that it was irresponsible for Next to have increased her credit limit or that the increased credit limit was unaffordable for her at that time. I also consider that Next acted in accordance with the terms and conditions of the account. Ms D accepted the increased credit limit and used some of that amount to make purchases the following day.

I'm not persuaded that there's enough evidence to show that Next has acted incorrectly in its dealings with Ms D. And I find that it wouldn't be fair or reasonable for me to require it to write-off her debt or to take any other action in response to her complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 1 March 2019.

Jarrold Hastings
ombudsman