

## **complaint**

Mr W complains that Shop Direct Finance Company Limited increased his credit limit irresponsibly.

## **background**

Mr W opened an account with Shop Direct in 2013 with an initial credit limit of £1,000. Shortly after this he fell into arrears and owed £13.25 at which point his limit was reduced to £325. Mr W dealt with the arrears immediately and Shop Direct increased his spending limit. Over the years it has gone up until it stood at £5,175. It says it was unaware that Mr W was facing financial difficulties until recently and it has now reduced his limit to £150.

Mr W says he has a gambling problem and had bought goods to sell to pay his debts. He believes Shop Direct was wrong to increase his limit and allow him to buy goods he couldn't afford. He brought his complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld.

She noted that Mr W had fallen into arrears on six occasions with four of those falling in 2017. He had cleared his debt each time and the investigator didn't consider it reasonable to expect Shop Direct to have been aware that Mr W was having problems. Mr W didn't agree and asked how the business could have regularly reviewed his account and still have increased the limit when it had now reduced it to £150?

## **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 have seen nothing to show that Mr W told the business that he had a problem. He had maintained his account with only a few slips which were all rectified relatively quickly. I don't consider Shop Direct could identify from his payment pattern that there was a problem. It increased his limit, but I don't consider this to have been irresponsible.

When it became aware of the difficulties Mr W was facing it acted by reducing his limit very significantly. I consider it to have behaved responsibly in doing so. It was open to Mr W at any time to have asked that his limit be reduced and while I can see why he may not have chosen to do so I don't believe Shop Direct has done anything wrong. I hope that Mr W is able to resolve his difficulties and can now gain control of his finances.

## **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 December 2017.

Ivor Graham  
**ombudsman**