

complaint

Mrs B complains that Shop Direct Finance Company Limited handled her accounts poorly when she was facing financial difficulties.

background

Mrs B has three accounts with Shop Direct and in recent times has encountered financial difficulties. She has been in contact with Shop Direct on numerous occasions and has entered into repayment arrangements. She has complained that some arrangements were set too high to meet her circumstances. At one point when she informed the business she was failing to pay her essential bills it refused to reinstate the previous arrangements and suggested she speak with a debt management charity. Mrs B didn't want to do so as it may have affected her credit rating and her job prospects.

Having escalated her concerns to a manager the business agreed to put the accounts on hold, but this wasn't done and two debts were passed to a debt collection firm. This resulted in entries being made on her credit file. She also believes the business has been unhelpful and some staff were rude.

Shop Direct accepted it had made some errors. It said that it had helped Mrs B in agreeing to repayment plans and when it became aware that she was finding it difficult to meet her essential bills it followed its procedures and refused to set up a repayment plan and pointed Mrs B towards financial help. It accepted that it shouldn't have transferred her debts and it took the debts back and arranged for her credit file to be amended. It applied a credit of £300 to her account by way of compensation and after this service became involved paid her a cheque of £150 and credited a further £300. It has, in total paid £750 in compensation as well as apologising for the errors.

Our investigator considered the complaint and concluded that Shop Direct had made errors, but it had rectified these and paid appropriate compensation. Mrs B didn't agree. She felt the compensation wasn't sufficient.

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 can understand Mrs B's frustration especially in the light of her financial and personal circumstances. That said, I believe Shop Direct has been trying to assist her, but it has made some mistakes along the way. It has offered her several repayment plans and I am satisfied that it based these on the information she provided.

At times she has struggled to meet those arrangements and eventually she told the business that she was struggling to pay her essential bills. Shop Direct considers it appropriate for customers in those circumstances to address their key commitments and so it doesn't offer repayment arrangements. Instead it directs customers to seek financial help. I appreciate Mrs B didn't want to go down this route because of her work, but I cannot say the business was wrong to take this approach.

It was wrong to transfer the debts to the collection agency, but it has rectified this and has taken them back. I can see that Mrs B has spent some time in trying to resolve the issue she

had with Shop Direct and this has taken some time and some effort on her part. It has taken some time to address her complaint and I believe Mrs B feels the business has not always delivered what was agreed in phone calls. Therefore I consider that she should be paid compensation. However, I believe the compensation of £750 which it has paid or credited to her account is fair and reasonable in the circumstances.

my final decision

My final decision is that I uphold this complaint, but Shop Direct Finance Company Limited need do no more as it has already paid fair compensation after our involvement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 30 November 2017.

Ivor Graham
ombudsman