

## **complaint**

Mr W complains about the adverse information that Shop Direct Finance Company Limited has recorded on his credit file.

## **background**

Mr W used his account with Shop Direct to order a fridge-freezer in June 2017. He cancelled the order and his credit card provider made a chargeback for the amount that he'd been charged by Shop Direct. But Shop Direct also refunded the payment to his credit card account so his account with Shop Direct had been debited twice. His account with Shop Direct went into arrears and it recorded late payment markers on his credit file. Mr W then made a payment to Shop Direct but he complained to Shop Direct and his credit card provider and he started court proceedings against them. Shop Direct apologised for the inconvenience caused and it removed the late markers and closed his account as requested. And Mr W accepted a payment of £125 from Shop Direct (which included £25 to reimburse him for his court fee) and withdrew his court proceedings. And his credit card provider paid him a total of £225. But Mr W complained to this service about the effects of the late markers on his credit score. Shop Direct then offered a further £50 compensation to Mr W.

The adjudicator considered that Shop Direct's offer was sufficient based on the circumstances of Mr W's complaint. He said that he hadn't seen any evidence to suggest that Mr W had suffered a financial loss as a direct consequence of the late payment information recorded against him. He also said that Shop Direct had removed that information and Mr W had said that his credit score was then back to its previous level.

Mr W has asked for his complaint to be considered by an ombudsman. He says, in summary, that:

- this problem was caused by Shop Direct and his credit card provider;
- he used his credit card to pay for the fridge-freezer and any contract with Shop Direct ended when he cancelled his order;
- his credit card provider says that it made the refund available but that Shop Direct failed to ask for it;
- Shop Direct placed an adverse marker on his file and threatened him with legal action – and it breached FCA guidelines;
- he didn't miss a payment because there was no payment to make and this was a mix up over a chargeback;
- he's been caused considerable inconvenience by the time and trouble to sort this out;
- whilst he suffered no financial loss he could've done and he did have a credit card limit reduced as a direct result of Shop Direct's actions; and
- he had to chase Shop Direct to remove the marker;

and he asked that the ombudsman be referred to the offer that he has accepted from his credit card provider.

## **my findings**

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

Both Shop Direct and Mr W's credit card provider accept that there have been errors in the way that they've dealt with Mr W's payment. And it's clear that Mr W has been caused distress and inconvenience. Shop Direct has apologised to Mr W, removed the late payment

markers and has paid him £125 compensation. It has also offered to pay him a further £50. And Mr W has accepted compensation totalling £225 from his credit card provider.

There doesn't seem to be any dispute that the late payment markers did reduce Mr W's credit score – though he says that it has now returned to its correct level – and he says that a credit card limit was reduced. But I'm not persuaded that there's enough evidence to show that the late payment markers have caused him to suffer a financial loss. He's clearly been caused distress and inconvenience and he should be compensated for that. But I consider that the £125 that he's already received from Shop Direct, together with the £50 that it's offered to him, is fair and reasonable compensation in the circumstances for the distress and inconvenience that it has caused him. And I'm not persuaded that it would be fair or reasonable for me to require it to pay him a higher amount of compensation than it has already offered.

### **my final decision**

For these reasons, my decision is that Shop Direct Finance Company Limited should pay a further £50 compensation to Mr W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 July 2018.

Jarrold Hastings  
**ombudsman**