

The complaint

Miss Z complains that LRUK (Retail) Limited trading as La Redoute (LR) unfairly closed her account and provided poor service to her.

What happened

Miss Z entered a credit agreement with LR in approximately 2002 for the purchase of LR goods. In around 2020 Miss Z began to experience problems with the delivery of some of the items she'd ordered and contacted LR on a number of occasions during 2020, 2021 and 2022 about this.

In September 2022 LR told Miss Z that they'd no longer accept orders from her. Miss Z complained to LR about this, and the service she'd received in a phone call in September 2022.

LR sent Miss Z their final response to her complaint in October 2022. They apologised for the service Miss Z had received on the phone call. They said the closure of the account was appropriate as they were unable to meet Miss Z's expectations. LR removed an outstanding balance of £274.32 from Miss Z's account as a gesture of goodwill.

Unhappy with this, Miss Z brought her complaint to this service for investigation. She said LR had unfairly closed her account without her permission or offering any other options. Miss Z said she was concerned about the impact this might have on her credit file, she remained unhappy with the service she'd received over the phone, and she didn't think her concerns about the delivery service had been properly investigated.

Our investigator gave her view that LR were able to choose who they conducted business with, and the closure of Miss Z's account was within the terms and conditions of the credit agreement. She said Miss Z had received poor service over the phone, but LR had taken steps to put this right. She didn't think LR needed to take any further action.

Miss Z didn't agree, she said she didn't think LR had done enough to investigate her concerns about the delivery company. Our investigator said we couldn't look at a complaint about the delivery company as they were a separate business, but she thought LR had investigated these issues, and looked to provide solutions, so she didn't think they needed to do anything more.

As an agreement can't be reached, the case has been passed to me for a decision.

What I've decided – and why

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

Miss Z raised a number of issues regarding the delivery supplier used by LR. The delivery supplier is a separate business to LR and so I can't consider a complaint about them, or their conduct.

I've seen evidence that LR investigated Miss Z's concerns and looked to put solutions in place in order to resolve the issues Miss Z was reporting. So, I'm satisfied that they took appropriate steps to ensure that they could continue to deliver items as Miss Z expected.

Ultimately, LR decided that they couldn't meet Miss Z's expectations, and made the decision to close her account. Miss Z said they shouldn't have done this without her permission or offering other options.

It is not my role to tell LR or any credit provider whom they must conduct business with, and if they must continue to provide credit facilities. This is a commercial decision for LR to make. What I have considered is whether LR acted fairly when deciding to close Miss Z's account.

The credit agreement between Miss Z and LR sets out that LR can *"refuse any application for credit in the placing of further orders for catalogue goods at any time."*

The agreement doesn't require LR to give notice for the refusal to accept orders, nor do they need to give a reason for refusing to accept orders.

So, I'm satisfied that LR acted fairly and in line with the agreement when refusing to accept any further orders from Miss Z. In refusing orders, Miss Z would no longer be able to use the credit agreement with LR, and so I'm satisfied that they acted fairly in closing her account, and I won't be asking them to reopen it.

It's not disputed that LR provided poor service to Miss Z on the phone. They've apologised for this. LR have also cleared Miss Z's outstanding balance of £274.32 and I'm satisfied that this fairly compensates her for any distress and inconvenience caused.

Miss Z has said she's concerned about the effect the closure of the agreement will have on her credit file. LR have told this service that the account has been marked as settled on Miss Z's credit file. I haven't seen any evidence of a negative impact on Miss Z's credit file. If she remains unhappy with the recording on the account on her credit file, Miss Z may wish to raise this with LR for them to investigate.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 28 July 2023.

Zoe Merriman
Ombudsman