

The complaint

Mr C complains Shop Direct Finance Company Limited trading as very charged him interest on his Buy Now Pay Later (BNPL) purchase even though he made the required payments.

What happened

Mr C purchased an item through very on a BNPL basis – this allowed him to purchase an item and defer paying for it for a period of time. If that time limit is exceeded, then interest becomes payable on the purchase.

In March 2023 the interest free period was coming to an end, so Mr C says he made two payments on the same day to clear the balance. One for £20, and another for £200.

Later in March 2023, Mr C logged on to his account with very to find his £200 payment hadn't been processed and he'd been charged interest of £61.08. After finding this, Mr C made the payment to clear the balance, but he felt it unfair he was charged interest.

In their response, very said a payment was due by 2 March 2023, and because it wasn't received, interest of £61.08 was applied. They added full terms and conditions of the BNPL scheme could be found on the website and were provided before and during the order process.

Unhappy with this, Mr C asked us to look into things. One of our Investigators did so but found no evidence of Mr C attempting to make the payment of £200 – so he didn't uphold the complaint.

Mr C disagreed with this, saying he tried to make the payment, it didn't go through, and nobody let him know it hadn't gone through. Because of this, the complaint's been passed to me to decide.

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.

Mr C's £20 payment is showing as credited to his account with very on 28 February 2023. And the £200 payment due by 2 March 2023 is showing as credited on 23 March 2023 – three weeks later.

I should make it clear to Mr C I can only require very to refund the interest payments if I find they've done something wrong.

Mr C has been clear and consistent in saying he tried to make the payment. I've seen no reason to disbelieve this – so I accept he did try and make the payment. Unfortunately, for reasons that aren't clear, the payment didn't go through.

In Mr C's opinion, very should have let him know the payment didn't go through. I don't though agree with this. I think very's primarily responsibility was to let him know about the amounts due, when they were due, and what would happen if the amount wasn't paid in time.

I've seen in Mr C's statements they made all of this clear. Ultimately it was Mr C's responsibility to ensure the payment was made and his payment didn't go through. In support of their position, very provided information to show Mr C only made one payment on 28 February 2023. This would have been the £20 which successfully went through. There were no messages to show an attempted second payment or any error messages were sent / received by very for the £200 payment. So it's not even clear to me very knew Mr C had attempted to make more than one payment. Why Mr C's attempted payment of £200 didn't go through I simply don't know – but I've seen nothing to suggest very were at fault for this.

Overall, I've seen nothing to suggest very made an error, and as they notified Mr C of what amount was due, when it was due, and the amount of interest that could be due, I can't say they've done anything wrong.

My final decision

For the reasons I've explained above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 December 2023.

Jon Pearce
Ombudsman