

## **The complaint**

Mr A complains about being charged interest on a Buy Now Pay Later (BNPL) transaction made through an account he has with Shop Direct Finance Company Limited, trading as Very.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it will disappoint Mr A, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr A acquired his goods through a regulated consumer credit agreement and as a result our service is able to look into complaints about it.

When Mr A bought his fridge freezer he benefitted from BNPL terms that meant he wouldn't pay any interest as long as he repaid the credit by 2 August 2022. As payment wasn't received I don't think Very were unreasonable to charge interest to the account.

Mr A made a payment towards his flexible account balance on 17 May 2022 but as that wasn't directed to his separate BNPL account I can't say Very were unfair to charge interest on his BNPL transaction. The terms of the account explained that any payment that wasn't specifically allocated to the BNPL account would be allocated to the flexible account.

While I understand that Mr A believes he was extending the BNPL period by making a payment of £400, I don't think I have any additional evidence to support that.

I've not seen sufficient evidence to support Mr A's suggestion that he subsequently bought garden furniture using his BNPL account either. Mr A appears to have been able to access his online account and would have been able to review his statements. I think if he had allocated the transaction to the wrong account he would have been likely to notice that in the three, or so, months that passed between him making the purchase and complaining to Very about it. I'm not persuaded by Mr A's argument that as Very had made unrelated mistakes it would demonstrate they were likely to have misallocated his transaction to the wrong

account. I don't, therefore, think Very were unreasonable to apply interest to the transaction when payment hadn't been received.

Very have an obligation to report activity on Mr A's accounts accurately to the credit reference agencies. While they appear to have been prepared to withhold interest charges while Mr A's complaint has been considered by this Service, they would still need to report the fact that payments towards the account had not been made. I'm not, therefore persuaded they've done anything wrong in that regard and, ultimately, I don't think it would be fair to ask them to take any further action.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 November 2023.

Phillip McMahon  
**Ombudsman**