

The complaint

Mr G says Shop Direct Finance Company Limited unfairly restricted his catalogue account and stopped him from placing an order.

What happened

Shop Direct blocked an order Mr G made in March 2023. When Mr G queried this, Shop Direct replied that it had a duty to lend responsibly and the information it held meant it should stop Mr G's order on that occasion. It said the restriction could be removed if and when the information it held changed.

Unhappy with Shop Direct's response, Mr G brought his complaint to this service. He said he made regular payment towards the account, hadn't missed any payments and had sufficient available credit to place the order. Our investigator considered all this but was unable to recommend that the complaint be upheld – they felt Shop Direct had acted fairly.

Because Mr G didn't agree with the investigator's findings, the complaint was passed to me to review afresh.

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.

Having done so, I don't uphold this complaint. I'll explain why.

Fundamentally, Mr G entered into a credit agreement with Shop Direct when the account started. The terms of the agreement, and the agreement itself, included that Shop Direct reserved the right to suspend the account to reflect changes in Mr G's credit status.

From experience, terms like the ones mentioned above aren't unusual. And it's commonplace for credit reference agencies (CRAs) to regularly report to lenders such as Shop Direct to help them keep track of customers' credit status and ability to repay.

In this instance, it seems Shop Direct held information from one of these CRAs that indicated there may be issues with providing credit to Mr G at that time. Looking at Shop Direct's actions in light of the terms of the credit agreement, I'm not persuaded that it treated Mr G unfairly despite how he understandably feels.

I realise Mr G feels Shop Direct's actions weren't justified, especially given how he'd been managing the account up until that point. Although, as Shop Direct explained to Mr G, the issue wasn't just how he was managing his account with it, but also his wider credit status – about which it had cause for concern through the reporting of the relevant CRA.

I'm not persuaded that any compensation's due for how Shop Direct dealt with this matter or Mr G's complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 February 2024.

Nimish Patel
Ombudsman