

## **The complaint**

Mr S complains that DFS Trading Limited, trading as DFS, made a mistake when brokering a credit agreement for him.

## **What happened**

Mr S bought some furniture from DFS in October 2023. They brokered a credit agreement for him to fund that purchase.

Mr S believed he was entering into a buy-now-pay-later arrangement, where payments would be deferred for 12 months. However, DFS mistakenly brokered a fixed sum loan without a deferred payment window.

Mr S complained to DFS, and they accepted they had made a mistake. They tried to amend the agreement with the credit provider, but the provider wouldn't agree. DFS sent Mr S a hamper as an apology, but Mr S remained dissatisfied, and he referred his complaint to this Service.

Our investigator thought DFS hadn't done enough and suggested they pay £200 in compensation; they agreed.

Mr S didn't think that was fair. He wanted half of his payments to be waived or for DFS to agree to defer payments for 12 months. He asked for a final decision by an ombudsman.

## **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 S, but I agree with our 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.

There's no dispute that DFS made a mistake here as they brokered the wrong agreement for Mr S. We'd usually try to put the consumer back in the position they would have been in had the mistake not have happened but that's not practical here as Mr S hasn't asked to return the goods.

I don't think the hamper DFS provided was sufficient compensation for the distress and inconvenience caused by their actions. I understand that Mr S wants them to defer payments for a year, as was the original intention. But DFS aren't the finance provider, and they can't

insist that's done. I don't think it would be fair for DFS to pay half of the finance instalments either. It's only fair that Mr S pays for the goods he's received.

Mr S has explained that when DFS tried to put things right and reapply for the interest free credit, the search they did will have been reported to his credit file. I understand his concern, but I've not seen any evidence that the presence of an additional search, or searches, has had a financial impact on Mr S, and I think it's unlikely to have had much, if any impact on his ability to obtain future credit.

In the circumstances, I think the fairest resolution would be for DFS to pay some compensation to Mr S. Considering the cost of the goods, the inconvenience of having to pay instalments before they should have been due, and the inconvenience the mistake has caused Mr S, I think a payment of £200 is fair.

### **My final decision**

For the reasons I've given above, I uphold this complaint and tell DFS Trading Limited to pay Mr S £200 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 October 2024.

Phillip McMahon  
**Ombudsman**