

## **The complaint**

Mrs W has complained about the way Frasers Group Financial Services Limited (“FGFS”) administered a credit agreement.

## **What happened**

Mrs W had a credit agreement with FGFS she could use to order and receive goods and services from certain suppliers. Mrs W made a purchase from a supplier I’ll call “S” using her FGFS account in November 2023 and said that after the transaction went through she noticed she was charged a higher amount on her FGFS account than expected – around £5. She said she spoke to S and it asked for evidence which she supplied so it agreed to correct the price. Mrs W complained this didn’t happen straight away. She said she was told the refund was made in December 2023, but it didn’t reflect on her FGFS account. She referred a complaint to the Financial Ombudsman and also requested her account was closed.

FGFS said it hadn’t received a complaint from Mrs W, and that it was a retail complaint that should be directed to S. I understand Mrs W received the expected refund to the account which reflected in February 2024.

One of our investigators looked into things and ultimately concluded that FGFS hadn’t acted fairly. He thought it took longer than it should have done for Mrs W to receive the refund. He thought there was a lack of communication from FGFS and it took too long to close Mrs W’s account, so he recommended it pay her £150 compensation.

FGFS disagreed. It said the issue with the November 2023 order was purely a retail issue and was the responsibility of S. It said the only contact from Mrs W was in January 2024 asking for her account to be closed, and that there was an issue closing it straight away because of the refund from S. It requested this was refunded and the account closed in June 2024. It said due to the fact it had practically no contact with Mrs W, it didn’t think £150 compensation was fair.

I issued a provisional decision that said:

*Mrs W has complained about the administration of a regulated credit agreement with FGFS, and our service is able to consider complaints relating to these sorts of agreements.*

*I think there are two main things Mrs W is unhappy about – the problems in relation to the price of the order, including the refund; and the delay in her account being closed. FGFS has said it had virtually no contact with Mrs W until she spoke to it to ask for her account to be closed in January 2024. I've looked at the communication Mrs W has supplied. And I can see she was speaking to S. In November 2023 I can see S asked her to speak to FGFS. But I've not seen she contacted FGFS. To be fair to Mrs W, the trading names the parties use are very similar, and I think she thought she was speaking to the right person when dealing with S. But FGFS has said it has no access to S's systems. It's ultimately a separate business.*

*Having reviewed FGFS's contact notes, I can't see it received any contact from Mrs W until January 2024. But I can see S did say it raised the issue with the 'right department' in January 2024. Given the refund was made by February 2024, there's not clearly been a failing from FGFS from what I've seen. And, even if S made a mistake by not contacting FGFS in November 2023, I think this was a failing from S, rather than FGFS. But if Mrs W has evidence she spoke to FGFS before 2024 she can supply it in response to this provisional decision.*

*However, it doesn't seem to be in dispute it took longer than it should have done for FGFS to close the account. It was put on notice in January 2024, but didn't close it until June 2024, which is when it said it refunded Mrs W. So I think this took longer than it should have done. While there's been no significant financial detriment as a result of this, it must have been frustrating for Mrs W, and things have taken longer to resolve than they should have done. If there was an issue with closing the account with a balance on it, it seems like it should've been quite a straight-forward matter to resolve that by speaking to Mrs W.*

*All things considered, I don't think I've seen enough to determine FGFS made an error with the problems in relation to the price of the order, but I think it made an error with regards to the closure of the account. Seeing as though I essentially only part agree with our investigator's findings, I'm going to propose FGFS pays £75 compensation.*

Mrs W said it was unfair to say she contacted the wrong place. She took some screenshots from S's website and said it shows that FGFS is intentionally avoiding being contacted. She also wanted to highlight she contacted where she was directed to on S's website. She said S should have passed on her complaint, and that she contacted it several times either by online chat or email. She said she wasn't to know there were two companies involved.

FGFS said it still thought the compensation was unfair. It said the account didn't close because of the credit on it. It said it had no further contact from Mrs W in connection with this until it received the complaint, which is when it promptly closed the account. It said its process didn't fail.

### **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'd like to thank the parties for their responses. I do empathise with Mrs W. I can understand why she felt like it was made more difficult that it should have been to speak to the correct respondent. But I do have to bear in mind that S and FGFS are separate entities, and I don't think I've seen enough to safely conclude FGFS was aware of the issues Mrs W was having in 2023. And I haven't seen enough to determine it didn't act on Mrs W's 2023 requests, so I don't think I have the grounds to hold it responsible for those issues.

With regards to the closure of the account, I still think it took too long. It was clear Mrs W wanted the account closed in January 2024, and it took several months for that to happen. A simple email or telephone call to find out what Mrs W wanted to do with the credit balance would have solved the issue.

Having taken the responses into account and bearing in mind my requirement to deal with the complaint quickly and with minimum formality, I'm not going to depart from the conclusions I reached in my provisional decision.

### **My final decision**

My final decision is that I uphold this complaint and direct Frasers Group Financial Services Limited to pay Mrs W £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 20 December 2024.

Simon Wingfield  
**Ombudsman**