

The complaint

Mr E complains that Creation Financial Services Limited ('Creation') declined a payment he attempted on his credit card and then blocked his card. He's also unhappy that Creation delayed contacting him to tell him why they had done this and to arrange for his card to be unblocked

What happened

In early February 2020, Mr E attempted to pay for goods using his Creation credit card. The transaction, which was to buy 40 items from an online retailer, was declined, and Creation blocked the card.

Mr E paid for the goods using another card but says that Creation didn't contact him to tell him why the transaction had been declined or that his card had been blocked. Mr E says he telephoned Creation on the day it happened as well as a week later and they told him the card transaction had been declined for security reasons. In the later call, Creation unblocked the card.

After Mr E complained to Creation in February 2020 about the lack of contact or reason for the decline, they issued a final response. They explained the transaction had been declined for security reasons and apologised for the inconvenience this caused. Creation said they do usually attempt to contact customers within 48 hours when this happens but explained this isn't always possible.

Mr E was unhappy with the final response from Creation and brought his complaint to this service. When he was first in contact, he said he thought the transaction had been in a shop and he felt embarrassed by what happened. To put things right, he'd like Creation to explain what happened, apologise and pay him compensation.

Our investigator didn't uphold the complaint and thought Creation acted reasonably when they declined what their systems recognised as a potentially fraudulent transaction on his card. And, whilst the investigator thought Creation should have contacted Mr E to explain why they had declined the transaction and then unblocked the card for him, the apology they provided was a fair and reasonable way to resolve this because the impact on Mr E of this delay had been minimal.

Mr E didn't agree with the investigator. He said that if he hadn't called Creation, he wouldn't have had his card unblocked. Mr E said he was embarrassed when his card was declined as he was with people at the time who saw what happened and this has affected his mental health. In response to the investigators view, he said he missed out on some of the goods he wanted to buy as they '*became out of stock*'. He also says that having the card declined and blocked added to his anxiety which made his depression worse.

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 agree with our investigator and I think he set out matters clearly and thoroughly. So, whilst I agree that Creation took too long to contact him about the blocked transaction and card, I think they've done enough to put things right by apologising to Mr E in this matter and I won't be asking them to do anything further to put things right. I'll explain why.

I understand that Mr E wanted to know more about why the card had been declined. But I don't think it's unreasonable for a financial institution to have systems in place which automatically decline a transaction and block an account where they suspect fraud. Although I know it can be inconvenient, this is designed to protect consumers and so I don't think it's unfair or unreasonable. It's right that a financial institution takes steps to protect their customers money. And, whilst I note that Creation hasn't given any further information what their level of security is in such cases or their trigger points, I think this is commercially sensitive information. If the details were shared, it could compromise the effectiveness of these measures, so I don't think it's appropriate to ask Creation to provide this information to Mr E.

So, I don't think Creation acted unfairly by declining Mr E's transaction and blocking his card where they had security concerns. And I won't be asking them to take any further action in this regard.

In their response to Mr E's complaint, Creation say that they try to contact a customer within 48 hours if a transaction is declined, or a card blocked. In this case, Creation has apologised that they didn't do this here.

I can see from the case notes provided by Creation and the testimony provided by Mr E, it's not agreed who made the initial contact seven days after the transaction was declined. Although Creation says they made the call and the case notes support this, Mr E says he called them - though he hasn't been able to send us evidence of this from his phone. Mr E also thought he called Creation on the day as well but neither a party has any record of this. Even so, Creation accepts they didn't call Mr E within the 48 hours they say they aim to and could've done better. They've apologised for this. I've also considered that Mr E could've contacted Creation sooner than he did and that a call was all that was needed to unblock his card. So, taking everything into account, I consider the apology Creation has given is a fair and reasonable way to resolve this part of his complaint.

Finally, I've looked at Mr E's comments in response to the investigators view. I note that he says he felt embarrassed when his card was declined, and this impacted his mental wellbeing. He also says he had to use another card to buy the items and some had gone out of stock. However, I've already made a finding that Creation didn't do anything wrong when they declined the transaction and blocked his card due to concerns that it wasn't a genuine transaction. So, I don't think any impact the decline had on Mr E is something that the bank caused unfairly or unreasonably and would need to put right.

My final decision

My final decision is that I don't uphold this complaint and won't be asking Creation Financial Services Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 19 November 2020.

Paul Lawton
Ombudsman