

## **The complaint**

Mrs C complains about Creation Financial Services Limited's (Creation) handling of a claim she made. Creation provided the finance for a sofa she'd purchased which was of unsatisfactory quality.

## **What happened**

Mrs C purchased a sofa from a company I'll refer to as Company A.. The purchase was funded through finance provided by Creation. The sofa was delivered in October 2019 and says she made a complaint about the quality of it around four to five months later. When Company A went into liquidation, Mrs C got in contact with Creation. Creation agreed that the sofa wasn't of satisfactory quality, however they said that Mrs C didn't raise a claim until having had the sofa for eight months, so she'd had use of the sofa for that time. In its complaint response to our service, Creation made an offer to keep the eight months of premiums that Mrs C had made, refund the subsequent payments and write off the balance.

Mrs C was unhappy with this offer, saying that she'd made the claim earlier than Creation was saying. As such, she requested a refund of all payments made to include the deposit, and for the balance to be written off.

Our investigator considered the complaint and said that whilst she agreed that Mrs C had use of the sofa, she recommended that Creation should keep only the first five months of payments made. This was because she'd seen that Mrs C had made her claim earlier than Creation had said.

She said Creation should refund all of Mrs C's other payments, including the deposit, and the balance should be written off. Once Mrs C had arranged collection of the sofa from the council, she should provide evidence of the cost of this to Creation to be refunded. Our investigator also commented on the poor customer service that Creation had provided, and recommended it pay Mrs C £100 compensation.

While Mrs C accepted our investigator's recommendations, m, Creation didn't agree with them all. It accepted it should refund the premiums, reimburse the removal cost and write off the balance, but it didn't agree with the £100 compensation. It accepted it had requested a duplicate inspection. However, it said the delays in responding on the complaint was outside of its control due to Covid-19 implications and dealing with Company A who were in liquidation.

Creation thought for these reasons that compensation should be limited to £50. As it didn't agree with the £100 compensation, the complaint has been passed to me for a final 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.

Having done so, I'm upholding this complaint. And largely for the same reasons our investigator has given previously. I'll explain why.

I agree with our investigator's conclusions and suggested solution in respect of the premium refunds, outstanding balance and removal costs for the sofa. And neither Mrs C nor Creation have disputed these aspects, so I don't intend to revisit them.

The remaining issue for me to decide on is the amount of compensation awarded on this complaint. Mrs C had raised the issue with her sofa in March 2020, with an appointment being made to inspect the sofa in June 2020. A subsequent complaint was raised by Mrs C in July 2020, with Creation issuing a holding letter for it in September 2020.

Complaint handling on its own isn't a regulated activity, so I'm unable to comment on that. What I have seen is that Creation issued a response on the claim in November 2020, asking Mrs C for information that had already been provided. So, I think Creation caused unnecessary distress and inconvenience to Mrs C and hadn't progressed the claim when it had the information available to them to do so, five months earlier.

I understand that Creation's response times for complaints may have been impacted by Covid-19, I don't see how incorrect information being provided by it so far into the claim is a result of this. And I appreciate that Mrs C would have been very frustrated with this oversight by Creation, as well as the length of time her claim was taking. She also had to spend time responding to Creation's unnecessary request for information, meaning she had to spend more time than was necessary.

In summary, Creation didn't progress the claim as quickly as they could've when they had all the information available to them. For the reasons I've covered above, I'm satisfied that £100 compensation more appropriately recognises the distress and inconvenience caused to Mrs C than the £50 suggested by Creation.

### **My final decision**

It's my final decision to uphold this complaint. To put things right, Creation Financial Services Limited must:

- Refund all Mrs C's payments made on the agreement apart from the first five
- Refund any deposit paid and write off the remaining balance
- Reimburse Mrs C the cost of having the sofa removed, upon receipt of evidence of the cost.
- Pay Mrs C £100 in compensation. Creation must pay the compensation within 28 days of the date on which we tell it Mrs C accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 1 March 2021.

Ben Williams  
**Ombudsman**