

The complaint

Mr P complains he was charged a late fee and interest by Creation Financial Services Limited (Creation).

What happened

Mr P had a Creation credit card. He paid the balance off each month. He received paperless statements and was advised by email when they were issued and available to be viewed online. The March 2020 statement showed a balance of £368 debit, with the minimum payment of £5 due by 13 April 2020. On 17 April 2020 he got a text message from Creation saying a payment hadn't been made. He paid £1360 into the account on 18 April 2020. He was charged a late fee of £12 and interest of £15.15.

Mr P said he didn't get the email in March 2020 advising him of his March statement. He only got an email if a balance was due – and so he didn't do anything. So, it wasn't fair that he was charged the fee and interest. And he said – why would he have paid in £1360 instead of £368 if he'd seen the statement.

Creation said they emailed Mr P on 23 March 2020 and advised him his statement could be viewed in his online account. Payment was due by 13 April 2020. As it wasn't received until 18 April 2020, a late fee was charged, and interest debited to the account.

Our investigator said that Creation told us Mr P viewed his online statement on 2 April 2020 – before the payment due date of 13 April 2020. Creation's terms and conditions state that interest was payable if the full balance wasn't paid by the due date, and late fees would also be paid if the minimum payment wasn't received on time. He sent to Mr P screenshots of the data provided by Creation which showed that Mr P viewed the statement on 2 April 2020. Mr P disputed this data and asked that his complaint be looked at 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.

Where the information I've got is incomplete, unclear or contradictory (as some of it is here) I must base my decision on the balance of probabilities. That is – what's more likely than not to have happened in all of the circumstances here, based on the available evidence.

I can see that Mr P feels very strongly about this. He'd opted for paperless statements – and he only received an email from Creation when he'd used the card and therefore when a balance was due. He's certain he didn't get an email in March 2020 – and therefore didn't pay anything. The transactions which went through in his card were unexpected ones. He said that he paid £1360 immediately he got a text from Creation saying his payment was overdue – and this shows he couldn't have been aware of the statement as it was a lot more than was needed.

We showed Mr P the data we obtained from Creation – which shows that he viewed his statement on 2 April 2020. He disputed this as it also showed that the statements for certain other months were either not viewed at all or were viewed several months later – so Mr P said the data must be flawed. I've looked at the statements for the months where this happened. They show very few transactions – August 2019 had one transaction of £408 – and was paid off on 31 August 2019; September 2019 had one transaction of £11000 – and this was paid off in October 2019; January 2020 had two transactions totalling £1041.70 – and £1095.20 was paid on 5 February 2020. This payment included a transaction of £53.50 made on 2 February 2020. So, it's possible that in these months - Mr P knew what his purchases had been with the card and paid the account off by reference to them – rather than looking at the statements online. So, this tends to show that Creation's data showing when statements were viewed is valid.

Creation say they emailed a notification on 23 March 2020 that the statement was available to view online. And it said that payment was due by 13 April 2020. They've shown us evidence – that Mr P viewed the online March 2020 statement – on 2 April 2020. So, Creation say - he was aware of the amount to be paid and by when. Creation's terms and conditions say *"If we agree, you may opt to receive an electronic Statement which you may view on-line and for which an electronic notification shall be sent to you each month by e-mail. Where you opt for an electronic Statement you may revert at any time to a paper Statement."* Even though Mr P disputes this, I think this is important evidence.

Looking at the month in question - there were only three transactions for £1344 made in March 2020 – and it's possible that Mr P paid in £1360 knowing that was the case. I note that Mr P says he was unaware of these transactions – but he must have been as this amount was paid in on 18 April 2020 - ahead of the statement being issued on 23 April 2020. But that would explain why more was paid into the account than was needed to pay off the March 2020 statement.

I know Mr P will be disappointed by this, but on the balance of the evidence, and having looked at what both sides have said I do not uphold this complaint. So, I won't be asking Creation to do anymore here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 March 2021.

Martin Lord
Ombudsman