

The complaint

Ms B complains about the way that that Creation Consumer Finance Limited has dealt with her credit agreement and about the fees that it has applied to her account.

What happened

Ms B entered into a credit agreement for a store card with Creation Consumer Finance in November 2017. She used that store card to buy a number of items on “*buy now – pay later*” terms. She used the card in April 2019 to buy another item which she expected to be on “*buy now – pay later*” terms but the purchase was set up so that Creation Consumer Finance would start collecting monthly payments for that item.

She contacted Creation Consumer Finance and was advised to raise the issue with the retailer. She cancelled her direct debit to Creation Consumer Finance for the monthly payments and started making manual payments instead. But she didn’t make the payment that was due by the beginning of June 2019 so her account went into arrears. She made payments each month but they were for less than the required amount and didn’t clear the arrears on her account so fees were applied to her account and her arrears increased.

She stopped making payments to Creation Consumer Finance after her November 2019 payment and complained to it. It said that not all of the items had been bought on “*buy now – pay later*” terms and that Ms B hadn’t made the required payments so interest and charges had been applied correctly.

Ms B wasn’t satisfied with its response so complained to this service. Our investigator didn’t recommend that her complaint should be upheld. He concluded that he didn’t think that Creation Consumer Finance had been unfair or unreasonable in relation to the items not being on “*buy now – pay later*” terms or that it had unfairly applied charges to her account. And he said that it had stopped her ability to pay off items individually because of the arrears that were on the account – which he didn’t think was unreasonable.

Ms B hasn’t accepted our investigator’s recommendations so her complaint has been passed to me for a decision. Ms B says that the fees were unnecessarily applied (and the same fee was applied twice in the same month), Creation Consumer Finance stopped her paying off items individually and it and the retailer didn’t listen to her.

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 the conclusions reached by the investigator for these reasons:

- it’s clear that Ms B wanted to pay for the item that she bought in April 2019 on “*buy now - pay later*” terms and as soon as she became aware that it hadn’t been set up on that basis she contacted Creation Consumer Finance;

- it must have been frustrating for her that the purchase hadn't been set up on "*buy now - pay later*" terms but I'm not persuaded that there's enough evidence to show Ms B had correctly followed the steps necessary for it to be set up on that basis when she bought the item;
- Ms B also contacted the retailer and I can understand the frustration she felt when the retailer and Creation Consumer Finance were each telling her to contact the other – but I'm not persuaded that there's enough evidence to show that Creation Consumer Finance acted incorrectly when dealing with that purchase or that it didn't listen to her;
- Ms B then cancelled her direct debit and started making manual payments - but she didn't make the payment that was due by the beginning of June 2019 so her account went into arrears;
- she made payments each month from then until November 2019 (as described in more detail by the investigator) but they were for less than the required amount and didn't clear the arrears on her account so fees were applied to her account and her arrears increased;
- Ms B stopped making payments to Creation Consumer Finance after her November 2019 payment so the arrears on her account continued to increase and, by the time of her account statement in January 2021, were £996.74 (including fees);
- I consider that the fees have been applied by Creation Consumer Finance in accordance with the terms and conditions of the account because Ms B hadn't made the minimum required payment by the due date each month and hadn't cleared the arrears on her account;
- I'm not persuaded that there's enough evidence to show that those charges have been applied incorrectly or that it was unfair or unreasonable in these circumstances for Creation Consumer Finance to apply those charges;
- Creation Consumer Finance says that it had stopped Ms B's ability to pay off items individually because of the arrears that were on the account – and that it wanted her to contact it about her arrears – I'm not persuaded that there's enough evidence to show that it acted incorrectly when it did so;
- I sympathise with Ms B for the difficulties that she's experienced but I'm not persuaded that there's enough evidence to show that Creation Consumer Finance has acted incorrectly in the way that it's dealt with her account; and
- I find that it wouldn't be fair or reasonable for me to require Creation Consumer Finance to waive or reduce the fees that it's applied to Ms B's account or the arrears on her account, to pay her any compensation or to take any other action in response to her complaint.

I suggest that Ms B contacts Creation Consumer Finance and tries to agree an affordable repayment arrangement for the amount that she owes to it. If she doesn't do so, I consider it to be likely that it will take further action to recover that amount from her (to the extent that it's legally entitled to do so). If she's experiencing any financial difficulties, it's required to respond to those difficulties positively and sympathetically.

My final decision

My decision is that I don't uphold Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 22 April 2021.

Jarrold Hastings

Ombudsman