

## **The complaint**

Mrs D complains that Creation Financial Services Limited offered poor customer service in relation to Personal Identification Number (PIN) issues on her credit card.

## **What happened**

Mrs D and her son, who held an additional card for her account, received new credit cards from Creation. She says they changed the PIN successfully at an Automated Teller Machine (ATM). After the cards were activated she notified Creation that she was going abroad and they updated their system with this information.

While overseas, Mrs D and her son tried to pay the balance for the hotel on their cards but the payment kept declining. Mrs D tried to contact Creation but because of time differences she was only able to reach the 24 hour lost and stolen helpline, who told her she needed to ring the customer service telephone number during opening hours.

Mrs D rang Creation the following day and she says she was on the phone for 20 minutes with no response. She then emailed the customer services co-ordinator who registered she was going abroad and he rang Mrs D back. She said he told her that the card wasn't blocked, the hotel payments terminal was faulty and she would be okay to try the payment again.

Mrs D and her son tried the payment again but to no success so rang Creation again. She says they were on hold for over 16 minutes without a response so emailed the customer services co-ordinator, but he didn't respond.

Mrs D's son realised that there may be an issue with the PIN for the credit card so Mrs D said she spent 32 minutes on a call to Creation where they arranged a workaround to get PIN reminders sent out. The PIN reminders were different to what they thought they had changed them to at the ATM's previously.

Mrs D complained to Creation as the problems with the PIN had caused her great embarrassment and humiliation on an overseas holiday to celebrate a landmark birthday and wanted to be reimbursed for phone calls (she said she had spent £91.05) and compensation for the impact this had on her and the holiday.

Creation paid £75 to her account to reflect the call waiting times but Mrs D brought the complaint to our service.

Our investigator upheld Mrs D's complaint as they said Creation had not proved that the PIN change was unsuccessful and poor customer service Mrs D received. Our investigator said Creation should pay Mrs D an extra £100 on top of the £75 they credited to reflect the impact it had on her.

Creation wanted the decision to be reviewed by an Ombudsman as they highlighted some inconsistencies in the view of the investigator and were satisfied with how they handled the complaint.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*The credit cards should have been activated before attempting to change the PIN. This is the root cause of the issue. I say this because if the cards were activated first then there shouldn't have been an issue with the PIN and the payment in the hotel should have worked. I'm persuaded this is what happened here as this would explain why the attempt to change the PIN did not work and why the new PIN received was different to the one Mrs D thought she had changed it to. Creation have also said the failure of the PIN change was due to the cards not being activated before the attempted PIN change. So I'm satisfied that's what happened here.*

*So, when Mrs D rang Creation, this is what she should have been told. An arrangement could have been made to get a PIN reminder. This is what I would have expected to happen when she called them.*

*Instead Mrs D said she was told incorrect information such as the card was fine and that it was due to a faulty hotel payment terminal and to try again. When the PIN failed again I can understand why Mrs D says she suffered embarrassment here.*

*So as a result of incorrect information given by the customer services co-ordinator I believe this set in motion a chain of events which was avoidable, had the correct information been given initially.*

*If Mrs D was told that she had not activated her credit card and therefore the PIN change was unsuccessful she wouldn't have had to keep contacting Creation to resolve this. As she was abroad the cost of the calls could be quite high. She said the calls cost her a total of £91.05. Creation credited her £75 for the time she spent getting through to them.*

*I've thought about whether £75 is fair and reasonable for the experience Mrs D had and I don't think it is. Although I think she should have reasonably known the credit card needed to be activated to carry out any activities with it, I think she genuinely thought she was successful in changing the PIN. So while I don't think the initial call she made to Creation was due to a fault on Creation's behalf, I do think the information given by the customer services co-ordinator led to confusion and Mrs D having to spend time and money to try and resolve this.*

*To help resolve her complaint, Mrs D wants an explanation of why the PIN didn't work. I don't believe Creation explained that it was a result of the credit card not being activated first. As there is no copy of a final response letter to her complaint as it wasn't attached to her complaint record and as the person who was dealing with this has left Creation I can't see if this was included. I haven't seen it detailed on any other information Creation have provided to Mrs D. So I hope this explanation gives Mrs D closure to why her PIN kept declining.*

*I don't feel the £75 credited reflects the incorrect information given to her which caused the chain of events detailed in this letter and the impact this had on Mrs D. Because of this, I think that Creation should pay Mrs D an extra £100 as compensation for the distress caused here.*

I invited both parties to let me have any further submissions before I reached a final decision. Creation had no further comments to add, but Mrs D responded with further

comments. In summary, she wanted written proof of the dates and times of the attempts to change the PINs and when both cards were activated. She wanted any awards to be paid directly to her and not to be credited to her Creation credit card. Mrs D forwarded me an email trail from Creation and said she wasn't told that she needed to activate the cards before she could change the PIN. She also said the card was used online before the holiday so she didn't think there would be any issues using it abroad. Mrs D also felt the award didn't take into account all of the circumstances which arose from Creation's error.

### **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.

Mrs D has raised a number of points in her response to my provisional decision. I have dealt with the points that I feel need further comment below.

Mrs D has asked for written proof of the times and the dates the PIN's on the primary and secondary cards were attempted to be changed and when the cards were activated so I've detailed these below:

Primary Card:

Date/time PIN change declined – 25 June 2019 – 11:42  
Card activated – 26 June 2019 – 10:39

Secondary Card:

Date/time PIN change declined – 31 May 2019 – 15:07  
Card activated – 4 June 2019 – 21:50

The above information is taken from screenshots of Creation's system that they provided to our service and that I'm satisfied can be fairly relied on as a record of what happened. So I'm satisfied this proves why the PIN change wasn't successful as the cards were activated at a later date.

I've thought about what Mrs D has said about Creation not informing her she needed to activate the card before she can change the PIN. I asked Creation how a customer would know that they needed to do this. Creation forwarded on to me an example letter which is attached to a new card which would be similar to something Mrs D would've received. On this letter it does state "*activate now and you can continue to enjoy all the benefits of your card*". While the letter doesn't explicitly state you need to activate the card before attempting to change the PIN, I'm persuaded by the information in the letter that it's clear the card should be activated before attempting to do anything with the card.

Mrs D has said that the Creation card was used online to pay for something before she went abroad so she was under the impression that everything was fine with the card. But the card only worked online as by that time it had been activated. As payments online don't require the PIN to be entered then this is why the issue with the PIN hasn't been flagged here.

Moving onto the compensation awarded. I've read everything that Mrs D has brought to my attention and gave it careful thought. But I'm not persuaded to give a different amount of compensation. I say this as Creation has already credited her £75, so the further £100 I believe is a fair and reasonable amount to reflect the impact the incorrect information on the telephone will have had on Mrs D.

Within her additional points Mrs D acknowledges issues with a travel company aren't anything to do with Creation, but she provided this to give context- but I hope she'll understand that it would be unfair for me to hold Creation directly responsible for this. Mrs D also mentions the impact the PIN issues had on her son, however, the complaint is brought by Mrs D only and as her son is not a primary cardholder I can only look at the merits of the complaint from Mrs D and how the events impacted her as Creation's customer. So overall I'm still satisfied the additional £100 I've awarded here is a fair amount to reflect the inconvenience and impact that Creation's actions had here.

In summary, Mrs D's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Mrs D will be disappointed with the £100 award, but I hope she understands my reasons.

### **Putting things right**

Our investigator has suggested a further £100 compensation is fair in the circumstances and I agree this is a reasonable amount for the impact the incorrect information on the telephone will have had on Mrs D.

Mrs D asked for any compensation to be paid directly to her and not credited to the credit card, which I'm satisfied is a fair request.

### **My final decision**

I uphold the complaint. Creation Financial Services Limited should pay Mrs D a further £100 directly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 26 April 2021.

Gregory Sloanes  
**Ombudsman**