

The complaint

Miss M complains that she's not received any account statements from Creation Financial Services Limited (CFS) since requesting a change of address around four years ago.

What happened

Miss M says that she hasn't received any account statements from CFS since she changed address in 2018.

On 16 July 2020 Miss M raised a complaint to CFS about not receiving her account statements, and that her account had been passed to a debt recovery agency, which I'll refer to as 'B'.

On 10 September 2020 CFS sent Miss M their final response letter (FRL). CFS didn't uphold Miss M's complaint. CFS said they had no information on their system to say that the statements hadn't been received by Miss M, and they hadn't been notified of a change of address. CFS also defended their decision to pass Miss M's account to B. CFS system notes show that Miss M had cancelled her monthly direct debit for her account payments. As payments to Miss M's account had stopped, CFS said they felt it was in line with their terms and conditions to transfer her account to B.

On 23 September 2020, Mr N, a representative for Miss M, brought her complaint to us here. However, to keep things simple I've referred to Miss M throughout my decision.

One of our investigators looked in to Miss M's concerns but didn't think CFS had done anything wrong so they didn't uphold the complaint.

Miss M was unhappy with the investigator's view. Miss M said that not receiving statements has caused her stress and uncertainty from not knowing the details of her account and has made managing her payments difficult. So, she's asked that her complaint is referred to an ombudsman 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.

My starting point is that Miss M says she failed to receive account statements from CFS for a number of years. And that in July 2020 CFS had passed her account to B to recover outstanding debts. CFS have confirmed this in their correspondence from B confirming the account was with them and the system notes from CFS confirming what had happened.

Having considered this, it seems to me there are three key issues for me to consider in relation to this complaint:

1. were CFS at fault for not changing Miss M's address?
2. are there any mitigating circumstances to take into account?
3. was it fair for CFS to transfer Miss M's account to B?

were CFS at fault for not changing Miss M's address?

Miss M provided us with a copy of an email that she'd sent to CFS in February 2018 advising of her change of address. In addition to this Miss M said that a message was sent via the CFS secure portal. In their FRL, CFS explained that they didn't have any records to show that a change of address request had been made by Miss M, and that no markers were on the account to prevent the statements from being sent out.

To support what they've said, CFS provided screenshots to confirm the change of address was only notified to them in July 2020 by B. They also provided a copy of the statements that were issued by them to Miss M over the past four years. Whilst I don't dispute what CFS has said, I'm persuaded that Miss M sent the email to a valid email address in February 2018. CFS has said that the email address used by Miss M, to notify of her change of address, was for their complaints department. However, I think it's fair to say that CFS should have done more to ensure Miss M's email was followed up. For example, CFS could have replied with the correct email address or redirected Miss M's email to the correct team for processing.

So, from the information provided, although I'm persuaded that CFS hadn't had Miss M's request recorded on their system, I'm satisfied that they were informed, and they could've done more to ensure the information was recorded and processed. So, in the circumstances I think it's reasonable that CFS should compensate Miss M for the inconvenience caused.

are there any mitigating circumstances to take into account?

While looking into Miss M's complaint, our investigator enquired why Miss M hadn't notified CFS sooner that she hadn't been receiving any statements, despite requesting a change of address in February 2018. Miss M explained to us the reason she hadn't chased CFS was because she presumed the statements were going to her previous address, and she didn't have any further contact details for CFS besides the email address or secure portal.

Miss M explained that the impact of not receiving her statements left her feeling stressed with not knowing the details of her account. And although I don't dispute this, I think it would have been reasonable for Miss M to follow-up with CFS, even if it was with another email, or through their secure portal at some point. Particularly when she realised the statements weren't being received at her new address. I don't think it's reasonable to hold CFS responsible for the entire period Miss M hadn't been receiving statements. I think it's likely that had Miss M sent a follow-up email there's every chance the matter could have been resolved much sooner.

In May 2020 CFS placed a block on Miss M's account as they hadn't been receiving their monthly payments. CFS explained that the block on the account also prevented statements from being issued, until at least six months of consecutive payments had been received. So, I acknowledge the block on the account would have further prevented any statements from being issued around that time.

In the circumstances, I'm persuaded that Miss M should have done more once she realised the statements weren't being received.

was it fair for CFS to transfer Miss M's account to B?

I've already explained why I think CFS should've actioned Miss M's change of address request sooner. However, I also need to consider whether it was fair for them to transfer

Miss M's account to B. In addition, I've thought about whether not receiving the statements led to Miss M not making her payments.

Miss M said she felt stressed not knowing how much she owed on her account, and that managing her payments became difficult. I don't dispute how Miss M feels here. However, as I've referred to previously, I do believe that Miss M could've done more to ensure her payments were kept up to date. As previously explained, I think it would have been reasonable for Miss M to contact CFS as she'd not heard anything, particularly before deciding to cancel her monthly direct debit.

According to CFS' system notes, Miss M cancelled her direct debit in January 2020, and some months later CFS placed a block on Miss M's account because a number of payments had been missed. At this point CFS referred Miss M's account to B, who CFS say were able to trace Miss M and arrange a payment in July 2020. B were also at that time able to provide an update of Miss M's address to CFS. This is also shown on CFS' system notes.

As payments to the account had ceased for a number of months, I think it was reasonable for CFS to use B to assist in recovering any arrears.

So, in the circumstances, and for the reasons explained, I'm persuaded that CFS were acting fairly when they transferred Miss M's account to B.

Putting things right

Miss M said that she felt stressed not knowing the details of her account. And although I don't dispute this, I've already established that I think it would have been reasonable for Miss M to chase CFS with another request. Having said that I think the initial stages of not knowing her account details would have caused her some concern. So, in the circumstances I find that CFS should compensate Miss M £50 for the inconvenience caused to her for not initially processing her change of address request.

Miss M had contacted us recently to explain that she still hasn't received any account statements from CFS. On her complaint form, completed in September 2020, Miss M said up to that point she'd received two statements from CFS; Although, it's not clear whether she received those statements at her new address. CFS have confirmed to us that Miss M's address has been updated on their system. In addition, they sent an email to Miss M in May 2021 advising she should be receiving her statements. I think there's every chance this is likely to be an issue with the post or an inherent issue within CFS' systems. Miss M may find it helpful to speak to CFS in order to have this issue resolved.

My final decision

Having thought about everything above, along with what's fair and reasonable in the circumstances, I instruct Creation Financial Services Limited to:

- Pay Miss M £50 compensation for the reasons explained in my decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 October 2021.

Benjamin John
Ombudsman