

The complaint

Mr S complains that Creation Financial Services Limited reduced the credit limit on his credit card twice.

What happened

Mr S has held a credit card with Creation for several years and, from 2013, the credit limit was £2,600. In June 2020 Creation reduced the credit limit to £1,200. After Mr S complained, Creation took the decision to reduce the credit limit again, this time to £500.

Mr S complained to Creation but it didn't agree an error had been made. Creation said its terms allow it to reduce credit limits and that it wrote to Mr S to confirm what was happening.

An investigator at our service looked at Mr S' complaint but didn't find that Creation had treated him unfairly when it reduced his credit limit. Mr S asked to appeal, so his complaint has been passed to me to make a 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.

I can see Mr S has held a credit card with Creation for a number of years and had the same credit limit in place for a long time. But, I have to take the terms and conditions Mr S accepted when he opened the credit card into account when considering whether Creation has made a mistake or treated him unfairly. Creation's terms say:

We will decide at our discretion on the amount of credit we grant under this agreement and will notify you in writing of the credit limit and of any sub credit limits which may apply. We will notify you of changes to your credit limit in writing from time to time.

Whilst I appreciate Mr S' existing credit limit had been in place for several years, the account terms allow Creation to review it and reduce the borrowing at its discretion. The terms say Creation will write to card holders when it decides to reduce a credit limit. And I can see Creation wrote to Mr S both times it took the decision to reduce his credit limit.

I understand Mr S would like a better understanding of why Creation took the decision to reduce his credit limit, but its final response explains that information is commercially sensitive. Creation has given a rough explanation concerning the types of information it considers when reviewing a credit limit and I'm satisfied that's reasonable in the circumstances.

I'm very sorry to disappoint Mr S as I understand he feels Creation's decision to reduce his credit limit was unfair. But Creation is able to review its customers' credit limits and decide whether to increase or reduce them in line with its commercial discretion. As I've said above, I'm satisfied Creation acted in line with the credit card's terms and conditions when it took

the decision to reduce Mr S' credit limit. As I'm satisfied Creation dealt with Mr S' complaint fairly, I'm not telling it to take any further action.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 July 2021.

Marco Manente
Ombudsman