

The complaint

X complains that Creation Financial Services Limited didn't make clear that there was an annual charge payable on her credit card.

What happened

X had a credit card with Creation Financial Services Limited (CFS). She says she took out the credit card because of information she'd seen in a brochure it provided to her. She says she only realised there was a £99 annual fee after she received her credit card statement. She says that although this was recorded in the small print, she thinks CFS tried to hide this information from her.

She complained to CFS. It didn't uphold her complaint. It said the information about the fee was included in the marketing material. It referred to the box (coloured orange) in that material which stated there was a £99 annual fee for the card. It also referred to the terms and conditions for the card which stated there was a £99 fee for the card.

X wasn't satisfied with this response. She complained to our service. Our investigator looked into her complaint. She asked CFS to provide her with a copy of the screenshots which X would've been presented with when she'd applied for the card. It didn't do that. So, our investigator was only able to take into account the information she'd been provided with.

Our investigator thought CFS hadn't highlighted the fee sufficiently in the terms and conditions or in the information presented to X. She said X had decided to cancel the card and she thought CFS should refund the annual fee to her.

CFS didn't agree. So, the complaint was passed to me to decide. I issued a provisional decision in which I said:

What I've provisionally 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.

CFS has now provided our service with copies of all of the information it says it provided to X before she accepted the credit card terms and conditions. So, I've been able to review all of that information and I've set out below what it said about the annual fee.

The marketing material

I can see this sets out all of the benefits of the card at the start of the leaflet. The representative example which includes details about the £99 fee is set out towards the end of the leaflet. So, I agree with X that it hasn't been given equal prominence to the benefits of the card. But, despite that I can't say that it has been hidden. It is presented in a box with an orange

background and it clearly states there is an annual fee of £99 for the card. Further details are then set out in the footnote. So, I think CFS did do enough to bring the fee to X's attention in the marketing information.

I've also looked at the information CFS provided to X before she accepted the terms and conditions. CFS says X applied for the card online and its provided evidence to our service that the application was made on 14 February 2020. So, I'm satisfied this was an online application.

I asked CFS to provide details of everything that was presented to X during the online application process. As mentioned above, it hadn't done that when our investigator considered this complaint. But, it's now provided this information to us. It's told us that during this process X was presented with a number of important documents. It's provided copies of those documents.

Summary Box

In line with best practice guidelines published by the UK Cards Association (now part of UK Finance) CFS presented X with a Summary Box. The Summary Box was set out in the standard format included in the guidelines.

The purpose of the Summary Box is to provide consumers with meaningful information about the credit card – without overloading them with information.

In this case the Summary Box included information about fees. It stated:

“Fees - Annual Fee: £99 to be charged on the first statement date and annually thereafter. The full annual fee will be payable on the due date and will incur interest at the Standard Purchases rate if not paid in full within that statement month.”

Pre-Contract Information document

In addition, X was presented with a document which set out the main terms of her agreement. Section three of this document is entitled “Costs of credit” and included information about rates of interest, the Annual Percentage Rate (APR) and related costs. It also included information about other costs deriving from the credit agreement and stated:

“Annual Fee £99 payable in full in your first statement month and annually thereafter.”

The agreement

There is a reference to the Annual Fee in section 16 of the agreement. There isn't any other reference to it in the agreement.

Having considered all of the information that was presented to X before she accepted the terms and conditions, on balance, I'm satisfied CFS did enough to bring the annual fee to her attention. It mentioned the fact that there was an annual fee in each of the documents presented. And, it stated the amount of the annual fee in all of the documents except for the agreement itself. So, although X says that she wouldn't have taken out

the card had she realised there was a charge, I'm not persuaded that CFS provided misleading information or that the fee was hidden in small print.

X indicated to our service that she intended to cancel the card. She's entitled to do that. But, having considered everything here, I'm satisfied CFS did do what it was required to do by bringing the nature and amount of the annual fee to her attention in the way that it was required to. So, although I know it will disappoint X, based on what I've seen so far, my provisional decision is that I don't intend to require CFS to refund the annual fee of £99 to her or to take any further action to resolve this complaint.

My provisional decision

For the reasons given above I do not intend to uphold this complaint about Creation Financial Services Limited.

CFS accepted my provisional decision and said it had no further comments to make.

X did not accept my provisional decision. She said she'd not seen the literature referred to in the provisional decision. She reiterated that the initial contact had been by telephone and there'd been no mention during that call of a £99 fee. She said she had no recollection of having filled in an online application form. She thought the evidence CFS had produced to say that she had done so contained an IP address which was different, by two digits, to the IP address for her computer.

So, I now have to make 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.

I've looked again at the evidence CFS provided to our service about the online application it says X made. It's provided screenshots from its internal systems which show details about X. There is an application ID, a date/time stamp and an IP (internet protocol) address recorded. The screenshot also says that this was a web application.

X has referred to having initially contacted CFS by telephone. She says she was then sent literature to activate the card. She says she has no recollection of filling in an online application form. She thinks the application was made by telephone and the form was then completed by a third party. She's queried the IP address that appears on the screenshot provided by CFS.

I've thought about what X has mentioned about the IP address. It's not clear why the IP address is slightly different. I understand that certain types of IP address can change from time to time. So, on its own, I'm not persuaded that this supports what she's said about not making an online application. And, although X has told us she's no recollection of filling in an online application form, having considered everything here, I'm satisfied, on balance, that the evidence CFS has provided supports the conclusion that this was an online application.

X says she didn't get anything other than the literature she's mentioned. As I said in my provisional decision that literature did mention the £99 fee. It had been presented in a box with an orange background and further details were set out in a footnote. So, I didn't think

that CFS had hidden this information or that it hadn't been brought to X's attention in the marketing information. That remains my view.

In my provisional decision, I also said that X would've been presented with the other documents that I've referred to during the online application process. And, I'm satisfied that those documents also made clear that there was a £99 annual fee for the card.

Having considered the responses to my provisional decision, I have not changed my view that, for the reasons set out in my provisional decision, this complaint should not be upheld.

My final decision

For the reasons given above I do not uphold this complaint about Creation Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 5 August 2021.

Irene Martin
Ombudsman