

The complaint

Mr R is unhappy with how CreationFinancial Services Limited have handled his credit card account and feels that there are discrepancies in the amount stated as outstanding.

What happened

Mr R opened a credit card account with Creation with a credit limit of £200. Following this, Mr R didn't agree with the amount that Creation said that he owed on his monthly statements, and he felt that interest and charges had been applied to his account incorrectly. Mr R wasn't happy about this, so he made a complaint.

Creation looked at Mr R's complaint, but they felt that they the statement amounts were correct and that all interest and charges had been applied correctly to Mr R's account. So, they didn't uphold the complaint.

Mr R wasn't happy with Creation's response, so he referred his complaint to this service. One of our investigators looked at this complaint, but they also felt that Creation had applied interest and charges to Mr R's account correctly, so they didn't uphold the complaint.

Mr R remained dissatisfied, so the matter was escalated 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.

The terms and conditions of Mr R's account stipulate that charges can be applied to the account if Mr R takes the outstanding balance of the account over the credit limit. This is known as an over-limit fee and was first applied to Mr R's account when his balance exceeded the credit limit in June 2019. At that time Creation agreed to reimburse the over-limit fee as a gesture of goodwill.

Creation also informed Mr R at that time that no further over-limit fees would be reversed. Following this, Mr R took the balance of his account beyond the credit limit in August 2019 and Creation applied an over-limit fee accordingly. And, given the above, I'm satisfied that it was fair and reasonable for Creation to have done so.

The terms and conditions of Mr R's account also stipulate that monthly interest can be applied to the balance of the account if a balance remains on the account past a certain date of the month. In the case of Mr R's account, the applicable day of the month is the 29th.

Mr R states in his complaint that he feels that there are several instances where interest has been applied incorrectly to his account. However, after reviewing the account statements I can see that in all instances interest had been applied because Mr R hadn't made the necessary payment to clear the account by the 29th of the month, and as such I'm satisfied that in all instances the interest has been applied to the account correctly.

Finally, Mr R believes that the total balance outstanding on the account should be less than what is being stated by Creation. And this remains the case after Creation agreed to reimburse some fees and interest that had been accrued on the account after 19 August 2020, at which time Creation had agreed to put a hold on Mr R's account.

However, I've reviewed the statements on the account and paid attention to the various reimbursements that have been made to Mr R's account by Creation and I'm satisfied that Creation's calculation of the outstanding balance which remains payable on the account is fair.

All of which means that it's difficult for me to conclude that Creation have acted unfairly or unreasonably here, and it follows from this that I won't be upholding this complaint or asking Creation to take any further action at this time – beyond that to which they've already agreed.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 August 2021.

Paul Cooper
Ombudsman