

The complaint

Mr D complained that Creation Financial Services Limited treated him unfairly when they blocked online access to his account and didn't send statements to him.

What happened

Mr D has held a credit card account with Creation since 2015. The initial credit limit of £6,000 was increased to £7,000 by Creation in 2016. Mr D admits that he made some late payments to his account in mid-2017 although always ensured that payments were made. He also says that his account was within the credit limit provided.

Mr D says that Creation blocked his access to their on-line services in 2018. This meant that he could no longer access his statements or manage his account. So, he telephoned Creation to complain and asked them to send written statements. He says he received these on a couple of occasions. Mr D says that he's never received any notification that his account has been suspended or cancelled.

In June 2019, Mr D engaged a third party to complain to Creation on his behalf. They told Creation that Mr D had no access to his account and didn't receive statements, even though these had been requested. They said that Mr D hadn't exceeded his limit, but that Creation had frozen his account without any written warning. They told Creation they were penalising Mr D for not managing his account and making payments when it was their actions that prevented this. They said that Creation had treated Mr D badly and were unhelpful.

Creation responded to Mr D's complaint. They said Mr D's payments hadn't reached his account by the expected due date each month. They also said that Mr D had exceeded his credit limit on a number of occasions. They said he'd breached the terms and conditions of the account. Creation didn't agree that they'd done anything wrong or treated Mr D unfairly.

Mr D wasn't happy with Creation's response. So, he decided to refer his complaint to this service. One of our investigator's looked into Mr D's complaint. She didn't think that Creation needed to take any action here. She agreed that Mr D had breached Creation's terms and conditions and Creation were entitled to take the actions they did.

Mr D didn't agree with our investigator's findings. He said he'd provided evidence that he was well within his credit limit and was making regular payments. He thought that Creation's actions were unacceptable. So, he asked that his complaint be 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.

I've reviewed Mr D's account statements for the period January 2017 to June 2018. Mr D had exceeded the limit agreed on nine occasions. Eight of these occasions were between October 2017 and June 2018. I also found that Mr D had been late with his payments on five occasions – three of these since November 2017. Creation charged Mr D a fee of £12 for each excess and late payment.

I've considered Creation's terms and conditions relating to his account with them.

Section 4.1 says *“The Credit Limit...may not at any time be exceeded”*.

Section 12 says *“If you fail to make prompt payment of the monthly payment or if you...break any other term of this agreement...we shall be entitled:*

- a) *without notice, to end, restrict or suspend your right...to use the Card, PIN or Card number...*
- c) *subject to serving on you any notice required by law, to end this agreement (and, for the avoidance of doubt, each part of this agreement).*

Creation have provided details of all letters and correspondence sent to Mr D. They show they wrote to Mr D about his account on 15 occasions between July 2017 and August 2018. The letters highlighted the occasions when Mr D either exceeded his credit limit or hadn't made a payment on time. The letters also clearly explained any consequences to Mr D. Creation included details of where Mr D could get confidential and free debt advice. This is what I would expect Creation to do here. Creation's notes and letters also suggest there were occasions when Mr D had promised to make payments which didn't then materialise, as agreed.

Mr D says that his account balance wasn't in excess of the agreed limit. He has provided this service with a copy of his statement from August 2018 showing that his balance was within the limit. I agree that's the case. But it appears that there had been many occasions when it wasn't. So, on balance, I'm unable to agree with Mr D here. It's also apparent payments had either been missed or were late on occasions.

Creation have explained that where the terms of the account are regularly breached, they will remove on-line access. They also stop sending statements. I believe Creation are entitled to do that. Creation further explain that this policy is used to ensure that Mr D regularly contacts them in order to ascertain his outstanding balance and any payment due.

Creation say that their policy means they can provide regular support to Mr D, where appropriate, and ensure he is fully aware of the position on his account. It also enables them to regularly check affordability and explain any consequences of non-payment. I think this is reasonable in these circumstances.

It isn't the role of this service to question Creation's policies here. It also isn't our role to question Creation's terms and conditions. It's our role to consider whether these have been applied in a way that is fair and reasonable to Mr D's circumstances.

Having considered all of the circumstances, I think Creation have acted fairly here. I think that Mr D had broken Creation's terms and conditions on multiple occasions, so they were entitled to act as they did. They wrote to Mr D on multiple occasions in an attempt to resolve the situation and explain what Mr D needed to do.

I realise that Mr D will be disappointed, but I can't reasonably say that Creation have done anything wrong or acted unfairly here so I won't be upholding his complaint. Going forward, I would encourage Mr D to maintain regular contact with Creation to keep them aware of his circumstances. This will enable Creation to consider any additional support that may be appropriate to avoid further action.

My final decision

For the reasons set out above, I don't uphold Mr D's complaint.

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

Dave Morgan
Ombudsman