

## **The complaint**

Mrs D complains that Creation Financial Services Limited incorrectly told her that her debt had been cleared.

## **What happened**

Mrs D says she spoke to Creation on 4 May 2020 about support for her credit card debt. She says she applied for and was given a three-month payment holiday but received a letter from Creation dated 5 May 2020 telling her that her account had been cleared and closed. Mrs D says as a result she didn't include the Creation debt in her plans. She says she found out some months later that the account hadn't been closed and the debt remained. Mrs D would like Creation to honour what it said and write off the debt.

Creation accepts it made a mistake by sending the letter. It has apologised and paid £30 for the inconvenience the mistake caused. It says the debt was over £7,614 and it didn't mention closing the account or writing the debt off during the 4 May 2020 telephone call.

Mrs D brought her complaint to us and our investigator didn't uphold it. The investigator thought there was no evidence of Creation agreeing to close the account during the 4 May 2020 telephone call and thought Mrs D ought to have realised a mistake may have been made as she continued to receive account statements showing the account balance.

Mrs D doesn't accept that view and says she thought the debt being written off was a viable option and says the mistake had a significant impact on her.

## **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.

Having done so I have come to the overall view that I don't uphold this complaint. I appreciate Mrs D will be disappointed by my decision.

I have no doubt that Mrs D was caused frustration by being told the account was clear and would be closed before later finding out that was incorrect. But I can see that Creation has fairly apologised and paid an appropriate compensation amount for that incorrect information. I don't think this complaint is about the level of compensation, as what Mrs D would like is the debt written off as the 5 May 2020 letter effectively said would happen.

I'm satisfied that Creation made a mistake, but I also think Mrs D ought to have realised there may have been a mistake in circumstances where she was applying for a three-month payment holiday. I think it ought to have been reasonably clear that it is unlikely any business would simply write off a debt of over £7,600 when a customer had only applied for a short payment holiday. I also think that Creation continued to send Mrs D account statements which clearly showed a balance of that amount.

Overall, I can't fairly order Creation to write off a debt of this amount which I think was correctly

owed by Mrs D just because it made a mistake.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 20 March 2022.

David Singh  
**Ombudsman**