

The complaint

Mrs O complains about the interest that she's been charged by Creation Consumer Finance Limited under a credit agreement.

What happened

Mrs O entered into a credit agreement with Creation Consumer Finance in December 2020 to pay £549 for a television. The agreement was on “*buy now – pay later*” terms and she could pay £549 by the special offer date in June 2021 without any interest being charged.

Mrs O has described the steps that she took to activate her plan, including visiting the retailer, but she says that the plan was showing a zero balance in June 2021. She says that she then spoke with Creation Consumer Finance and was told that the plan was linked to a previous purchase so it corrected the error but, by then, the special offer date had passed and interest was applied to her account.

Mrs O complained to Creation Consumer Finance but it said that it didn't receive the payment by the required date so interest had become applicable. Mrs O wasn't satisfied with its response so complained to this service and says that it should refund £67.85 of interest to her.

Our investigator recommended that her complaint should be upheld. He said that Creation Consumer Finance had offered no explanation of what had happened and he agreed with Mrs O so recommended that Creation Consumer Finance should refund £67.85 of the interest charge incurred to Mrs O. Creation Consumer Finance hasn't responded to that recommendation.

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 agree with the outcome recommended by our investigator for these reasons:

- Mrs O has described the steps that she took to activate her account, including visiting the retailer, and has provided evidence to show the account details that she was given and the verification codes that were sent to her;
- she says that she had issues activating her account, the plan was then showing a zero balance in June 2021 and that she spoke with Creation Consumer Finance and was told that the plan was linked to a previous purchase so it corrected the error – but by then the special offer date had passed so interest had been applied to her account;
- Creation Consumer Finance hasn't provided any information to this service about Mrs O's complaint and, other than an automated acknowledgement, hasn't responded to our investigator's recommendations;

- other than its final response letter, which Mrs O has provided, it hasn't provided any evidence to show that there wasn't an error on Mrs O's account, that it's acted correctly and that interest has been correctly applied to her account; and
- I've not been provided with enough evidence to show that Mrs O's description of events is incorrect and I see no reason in these circumstances to disagree with our investigator's recommendation.

Putting things right

Mrs O says that she has paid £67.85 of interest to Creation Consumer Finance and has asked for that interest to be refunded to her. I find that it would be fair and reasonable in these circumstances for Creation Consumer Finance to refund £67.85 to Mrs O.

My final decision

My decision is that I uphold Mrs O's complaint and I order Creation Consumer Finance Limited to refund £67.85 to Mrs O.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 24 May 2022.

Jarrold Hastings

Ombudsman