

The complaint

This complaint has been made on behalf of the estate of the late Mrs S. Her daughter and representative, Mrs W, complains that Creation Financial Services Limited ("Creation") irresponsibly granted her late mother a Selfridges store card account. She has requested that the interest and late payment charges she paid on her account be refunded.

What happened

The store card was opened in June 1999. Creation has told us that the last credit limit increase on the account was given in December 2006. We also know that the account was sold to a third party in June 2011.

Due to the time that has elapsed and its data retention policies, Creation has been unable to provide any further information about the account and its history.

Mrs W has sent us some information about the account, as well as information about other credit products Mrs S had taken out at around the time and also later on.

Based on the limited information available about the account history and Mrs S's financial circumstances at the time, our adjudicator didn't think Creation had acted unfairly in the way it managed the account. Mrs W doesn't agree so the complaint has been passed to me for a 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 read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Creation will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Creation says it's unable to send us a full business file as it no longer has any records regarding Mrs S, due to its retention policy. That's unfortunate, but not unusual, and it therefore means that any finding I make has to be based on the available evidence and information. That includes all the information Mrs W has sent us in relation to her late mother's finances. Whilst I am grateful for this, it has still left me unable to piece together a detailed history of Creation's lending history with Mrs S. The purpose of doing that would be to see if there was a point at which Creation should reasonably have seen that further

lending was likely to be unsustainable, or otherwise harmful. If so, that would mean Creation should have realised that it shouldn't have granted the initial credit limit and/or gone on to provide credit limit increases.

In responding to our adjudicator's findings, Mrs W has provided us with a good deal of information about Mrs S's financial circumstances at the time to help us to understand what Creation might have found out if it completed reasonable and proportionate checks. This includes information demonstrating that Mrs S had at least two other store card accounts at around the time she took out this card.

In much the same way as our adjudicator, I've looked at the information we have to try and piece together more about what happened with this particular account. Unfortunately, that information is very limited.

I've seen that in March 2010 Mrs S had given information for the purposes of a debt management plan, showing a balance on the account of £5,000. In relation to the card itself, Mrs W has told us that the credit limit reached £3,450 in March 2006, at which point Mrs S had a balance of £423.54. In February 2008, when the credit limit was £5,000, the account had a balance of £2,710. At that time, she also drew out £800 in cash but may have used up to £1,971 by way of cash withdrawals.

I am grateful to Mrs W for all her efforts in providing us with this information. However, it's still the case that we have only limited information about Mrs S's financial situation for the time the card was opened and the subsequent account history, including credit limit increases. In short, what we have isn't enough for me to be able to make a finding about whether Creation may not have made a fair lending decision. For example, we don't know what proportionate checks carried out by Creation would have shown. And without better information from Creation, I am unable to comment on what steps were taken to find out about Mrs S's financial situation. As things stand I haven't seen enough to show or suggest that Mrs S was experiencing financial difficulty to the extent that Creation shouldn't have granted the opening credit or that it was unfair of it to have increased her credit limits.

Mrs W has said that Mrs S should have been treated as a vulnerable consumer. I certainly don't wish to dispute that Mrs S had been experiencing challenges with her financial situation as well as serious health issues. But based on what I've seen, I simply can't say whether Creation ought to have identified Mrs W as a vulnerable consumer or whether it ought to have done more to help her with her financial situation.

All of this means I am not in a position to make a finding as to whether Creation carried out reasonable and proportional checks to satisfy itself that Mrs S would be able to manage her payments under the agreement. And based on the information I've seen, I can't say what proportionate checks would have shown.

I therefore don't uphold this complaint because I am unable to say whether Mrs S was caused loss or material distress or inconvenience as a result of actions taken by Creation, both when the opening credit was agreed and subsequently when further credit limit increases were given.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs S to accept or reject my decision before 2 March 2023.

Michael Goldberg
Ombudsman