

## **The complaint**

Mrs B complains that Creation Consumer Finance Ltd ("Creation") failed to take account of a payment she made to settle her account and were therefore wrong to report adverse information to the credit reference agencies.

## **What happened**

I issued my provisional decision on this complaint in December 2022. An extract from that provisional decision is set out below.

### ***What I've provisionally 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 know it will disappoint Mrs B, but I agree with the investigator's opinion. I'll explain why. Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.*

*There's no dispute here that Creation made a mistake. They failed to attribute a payment Mrs B made towards her account in December 2020.*

*I can see that the payment was eventually identified and credited towards the account settlement in May 2022, but it wasn't until December 2022 that Creation confirmed to us that they had removed the adverse reports they had been continuing to make to the credit reference agencies.*

*I'm pleased to see that the issue has now been resolved but it's clearly now necessary for Creation to compensate Mrs B for the distress and inconvenience she's experienced.*

### **Putting things right**

*Creation caused quite a bit of distress and inconvenience here as they failed to credit a payment to Mrs B's account and when they recognised that error they also failed to amend the adverse reports they were making to the credit reference agencies. The error persisted for a long time and once the mistake had been identified I think Creation should have recognised the distress they had caused and have provided some compensation, but they didn't.*

*Mrs B has explained, and Creation accept, that she was in regular contact with the business to get this issue resolved. She's told us she's been very upset about the matter and that she's been unable to sleep and has been tearful. I can see that she had made Creation aware that the issue was affecting her health as their system notes show she told them the matter was making her sick in October 2021. I think the default on her credit file may have made it more difficult for Mrs B to obtain credit, but I've not seen evidence of that or of any financial difficulty as a result of the credit file report.*

*I've considered how much Creation should pay Mrs B to compensate her for the distress and inconvenience caused and I don't think £250 is sufficient in the circumstances. I think this issue has created considerable distress, upset, and worry for Mrs B and she's had to make significant efforts to sort it out. The impact has been prolonged, and the business response has been slow, especially as they were aware that the matter was affecting Mrs B's health. In the circumstances, I think Creation should pay Mrs B £500 to compensate her for the distress and inconvenience she's been caused.*

### **My provisional decision**

*For the reasons I've given above I'm expecting to uphold this complaint and to tell Creation Consumer Finance Ltd to pay Mrs B £500 in compensation in respect of the distress and inconvenience she's experienced.*

### **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.

Mrs B didn't provide any further information and Creation accepted my provisional decision with no further comments.

### **Putting things right**

I've not been provided with any new information that would lead me to change my provisional decision and that provisional decision now becomes my final decision on this complaint.

### **My final decision**

For the reasons I've given above I'm telling Creation Consumer Finance Ltd to pay Mrs B £500 in compensation in respect of the distress and inconvenience she's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 February 2023.

Phillip McMahon  
**Ombudsman**