

## **The complaint**

Mr T and Mrs T complain about blocked transactions on their cards issued by Creation Financial Services Limited (Creation).

## **What happened**

Mr T has a credit card account with Creation. He has a card on the account, as does Mrs T (as a secondary cardholder). On 15 November 2022, at 15.13, Mr T tried to make a payment of £2,106.99. It was declined for security checks. A One Time Password (OTP) was entered by Mr T, but that didn't enable the payment to be made. Mr T tried to make the payment a second time, but the same thing happened. Mr T called Creation and the payment was authorised at 15.55. On 16 November 2022, Mrs T tried to make a payment of £52.45 and this was declined as well. The card was blocked and the block was removed the following day.

Mr T and Mrs T complained. Mr T said that while he understood the need for security checks, Creation's processes were inefficient. He couldn't see why the transactions had been declined - as he was well within the credit limit of £13,500. He had complied with what Creation asked for - by entering the OTP. The payment was declined twice, and he then had to call Creation to clear the payment. Mr T said he had to wait on the phone for over 20 minutes to do that. He said his card wasn't unblocked until the following day - and only then when he called Creation. He said many other payments had been blocked in the past, and this couldn't be right.

After that, Mrs T tried to make a payment of £52.45 the next day with her secondary card and that was also declined and the card blocked. It was unblocked the following day. He said he couldn't understand why such a low value payment wouldn't be made. Payment was then made by using another card.

Creation said security was a high priority - to safeguard customers against fraud and misuse of their credit cards. For some payments, they needed to speak to a customer to verify the payment before it's released, even if an OTP has been entered as verification. They said they attempt to contact customers within three days when that is needed. Creation said Mr T's card was unblocked within the hour after a review by their security department, and the payment was released.

On Mrs T's payment, the card was unblocked the following day.

Creation apologised for the long wait times on the phone when Mr T tried to contact them. They didn't uphold Mr T and Mrs T's complaint.

## **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.

It's an unfortunate fact that fraud and related crime is increasing and firms such as Creation (and other banks) have security processes in place to check certain payments. This is to protect both customers and the firms involved. The choice of which payments to block and check is a matter for each firm to decide – it is a complicated algorithm, to which we (and any other external party) have no knowledge of. But – the fact that the balance was within the credit limit (as it was in this case) – isn't in general terms relevant to whether a payment is declined or not.

These checks are sometimes used even when other processes – such as adding an OTP (as in this case) have been completed. That's because, for example, if such a payment is part of a scam, quite often the scammer will 'coach' the account / card holder to 'authorise' the payment by doing that – in other words, an OTP isn't necessarily confirmation that the payment is not fraudulent.

So – in those cases, firms will speak to a customer to confirm all is OK and the payment can be made. And in the case of both payments in question – that's what happened. I can't say exactly why the specific payments here were held and subjected to further checks – as I've said.

In the case of Mr T's first payment, he had to call Creation and had to wait a long time to get through. I can see he tried to make the payment a second time, and then it was made at 15.55 – 42 minutes after the first attempt. Mr T argues that having to call Creation is inefficient, and I can see it must have been a frustrating experience for him. But - we can't tell businesses to change their operations, processes, or procedures – that's up to them, and we can't interfere. In other words, if Creation needed to speak to Mr T, and that meant he had to call – then I accept that.

Mr T says that his card was blocked and it wasn't unblocked until the following day. We asked Creation about this and they showed us it was unblocked by 15.55. I've considered this point. And the card must have been unblocked then– otherwise the payment of £2,106.99 couldn't be made.

I can see that for a small payment of £52.45 to be declined must have been very frustrating and it does appear odd – for such a small amount. But – I'm afraid that I have to say again that it is for Creation to decide which payments it authorises and which ones it doesn't, for the same reasons I've set out.

Equally, for Creation to say that a three-day turnaround to contact customers about a payment does sound a long time – as the department in question works Monday to Friday. But - that is their business process, and we can't make them change that.

In summary, while I appreciate what Mr T and Mrs T say – the crux of the issue is that Creation have security checks in place, and it's reasonable that this is the case. And the process of speaking to customers is a necessary part of that. I can see that this may cause some frustration and be time consuming for some customers, but it's not something which I can say is unreasonable for the reasons I've set out.

I can see that Mr T and Mrs T feel strongly about their complaint. And will therefore be disappointed by my decision. But in the circumstances of this complaint, I am not asking Creation to do anything here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 7 August 2023.

Martin Lord  
**Ombudsman**