

The complaint

Mrs S complains that Creation Financial Services Limited (Creation) failed to make clear the terms of a promotion causing her to incur interest charges she wasn't expecting.

What happened

Mrs S had a credit card account with Creation. She says she was checking her February 2022 statement when a promotion popped up on her screen to say Creation was offering 0% on all purchases made between 1 February and 30 April 2022. She understood this to mean that any purchases she made between those dates would continue to be subject to the 0% rate after the promotion ended. So, she decided to use her Creation credit card to buy a number of items. In June 2022 she noticed that interest had been charged on her purchases. When she called Creation, it credited the interest back to her account. But her July and August statements showed more interest had been charged to her account. So, she complained.

Creation didn't uphold Mrs S's complaint. It said the terms and conditions of the promotion said the offer only applied between 1 February and 30 April 2022 and no interest would accrue between those two dates. Interest would then start to accrue on those purchases from 1 May 2022. And if a purchase was made on 30 April 2022, interest would be free for only one day. Creation also noted that Mrs S's May 2022 statement showed that the promotional purchase rate on her account would end with effect from her next statement. Mrs S wasn't happy with this response so brought her complaint to this service.

Our investigator didn't uphold the complaint. They thought Mrs S had misunderstood the offer and Creation had made it clear that any purchases made in the promotion period would be subject to the standard rate of interest after the promotion came to an end. They said Mrs S's May 2022 statement reminded her that the promotional offer would be ending. And they noted that Creation had refunded the interest charged in June 2022 as a gesture of goodwill.

Mrs S didn't agree with the investigator's view and asked for her complaint to be referred to an Ombudsman for a decision. She said she didn't receive any letters from Creation and all her communication had been online. She said there was no indication or warning in the pop-up message that any purchases she made in the promotion period would be subject to the standard rate of interest when it came to an end. And nothing in the pop-up that would have made her aware of the terms and conditions that applied to the offer. She also said she'd interpreted the message in the May 2022 statement as meaning that any new purchases would be subject to the standard rate of interest. And when Creation had refunded some of the interest, that had reinforced her thinking that the purchases she'd made were still subject to 0% interest.

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've decided not to uphold it. I appreciate this will come as a disappointment to Mrs S. But for the reasons I provide below I don't think Creation has done anything wrong.

Mrs S says there was nothing in the pop-up message she read that indicated that any purchases she made in the promotion period would be subject to the standard rate of interest when the promotion period ended. But Creation has said that all the promotional literature it provided, whether that was by letter or email, on its website or in a 'pop-up' message, included the terms and conditions, or a link to them. And I've seen evidence of that.

Creation has shown me the pop-up message Mrs S would have seen. It has an asterisk next to the statement that said *"0% on purchases"* and then a note below to say that *"*Terms and Conditions apply"*. The message provided a link to a page with the terms and conditions on it. While the message itself doesn't provide the terms and conditions, I'm satisfied there was enough information in the message to indicate that terms and conditions did apply to the promotion – and further information could be found on a separate webpage. So, on balance, I think Creation did enough to make it clear to its customers that the promotion was subject to its terms and conditions.

The terms and conditions include the following statements:

"For Standard Purchases made between 01 February 2022 and 30 April 2022 no interest will accrue between those two dates. Interest will begin to accrue on those purchases from 01 May 2022. If a purchase is made on 30 April 2022, interest would be free for only one day. After this period, the interest rate for Standard Purchases (variable) applicable to the account will be charged on any remaining balance of any purchase."

In light of the above, I'm satisfied that these terms and conditions made it clear that any purchases made in the promotion period would be subject to the standard rate of interest after that promotional period ended.

Creation said that Mrs S's May 2022 statement also notified her that the promotional purchase rate on her account would end from the date of her next statement. Mrs S said she simply thought this meant that the promotional period would be ending, not that her purchases made in that period would be subject to the standard interest rate. And I can see why she thought that as the statement doesn't specify what purchases are affected. But I don't think the statement was misleading as it was accurate when read in conjunction with the terms and conditions of the promotion. And, as I've said, I'm satisfied Creation's literature did refer to the terms and conditions.

Creation refunded a small amount of interest to Mrs S in June 2022. It's not clear whether that was paid in error or whether it was paid as a gesture of goodwill, as Creation told this service. But either way, Mrs S has benefited from that payment and, as I haven't found that Creation has done anything wrong, I don't think it needs to do anything more.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 26 July 2023.

Richard Walker
Ombudsman