

The complaint

Mr J complains that Creation Consumer Finance Ltd, who I'll call Creation, shouldn't have reduced his credit limit. He says that a payment he made to the wrong agreement caused that. He's also upset that they haven't clarified his account balance and that he's received poor customer service from them when they've been reviewing his complaint.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 agree with the investigator's view of this complaint. Please let me 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.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

It is for Creation to decide how much credit they offer to a consumer. The terms of Mr J's running credit account allowed them to vary that credit limit and explained:

"We may change your credit limit from time to time depending on our assessment of your account and financial circumstances..."

So, it wouldn't be fair of me to suggest Creation's decision to reduce Mr J's credit limit was unreasonable, and I don't.

This Service can't usually consider the merits of new complaints if they haven't been made to the business first. On this occasion, I can see that Creation has engaged with other aspects of Mr J's complaint that he's raised since he contacted this Service. Given the age of the complaint and the fact Mr J has been kept waiting by Creation already, it seems to me to be in everyone's interest if I now deal with everything Mr J has raised.

I don't think Creation have been able to adequately explain what is still owed and what has been paid on the account so that Mr J can understand the situation. They should, therefore, do that, and in recognition of the distress and inconvenience Mr J has been caused as a result of that lack of clarity they should pay him £150 compensation.

Creation may have reported adverse information to Mr J's credit file in relation to this issue. They're obliged to report Mr J's performance on his account accurately. If, having supplied Mr J with a clear picture of the incomings, outgoings, and balance of his account, it transpires there were errors in their reporting, they should amend Mr J's credit file accordingly.

Putting things right

I'm asking Creation to put things right in the way I've set out above and have detailed below.

My final decision

For the reasons I've set out above, I uphold this complaint in part and tell Creation Consumer Finance Ltd to:

- Provide a detailed statement to Mr J showing incoming and outgoing transactions and the balance they say is currently on the account.
- Pay Mr J £150 to compensate him for the distress and inconvenience they've caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 December 2023.

Phillip McMahon
Ombudsman