

The complaint

Mr G complains that Creation Consumer Finance Ltd ("Creation") were unresponsive and that has led to adverse information being reported to his credit file.

What happened

Mr G took out a running credit account with Creation in July 2020.

He ran into financial difficulties. In July 2023 a six month temporary payment arrangement was agreed. Mr G was to pay £5 per month for six months but payments were only made until September 2023. The repayment arrangement was cancelled and Creation reported arrears to Mr G's credit file.

In November 2023 Mr G emailed Creation to ask about making payments towards the arrears. Creation didn't respond until January 2024 and Mr G complained to them. It was his assertion that their lack of responsiveness had led to the account falling further in arrears.

Creation accepted that they hadn't responded, and they offered to pay Mr G £100 compensation for the distress and inconvenience caused. They also removed three months' worth of interest. In total they provided £167.89. But Creation explained that they had to report arrears accurately and they wouldn't remove the adverse reports they'd made to Mr G's credit file.

When Mr G referred his complaint to this Service our investigator thought Creation had been fair. He didn't think they needed to take any further action. Mr G didn't agree. He said he'd been trying to resolve matters with Creation for some time, but they were unresponsive, and that he'd not received the arrears letters that would have detailed where to make payments to. He asked for a final decision by an ombudsman.

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 know it will disappoint Mr G, but I agree with our 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.

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.

When a consumer is in financial difficulties, we would expect a business to be supportive and sympathetic. I think Creation were. They agreed repayment plans when Mr G provided information about his income and expenditure, and on occasion they placed the account on

hold and suspended interest and charges. I think it was reasonable for Creation to ask Mr G for a financial statement as he hadn't provided one since November 2022 and they would understandably want to see what changes there had been to his income and expenditure.

Mr G didn't provide a financial statement and even if Creation had responded to his November 2023 emails and been more responsive to other communications, I don't think it's likely he would have provided one. I say that because he'd shown no willingness to do so. In those circumstances I don't think it's likely a repayment plan would have been agreed and I don't think it's likely that the arrears reported to the credit reference agencies would have been averted. I don't, therefore, think Creation need to remove those reports as they are an accurate reflection of Mr G's account performance.

While I understand Mr G suggests he didn't receive the arrears letters Creation sent to him, I can't hold Creation accountable for the performance of the postal service and, on balance, I think it's more likely than not that they were received and that Mr G would, therefore, have had access to the bank details he required in order to make a payment. Those details were included on all of the arrears letters. Even if I'm wrong about that, Mr G was able to call Creation if he wanted those payment details.

Creation could have done better here. They should have responded to Mr G's emails, but I think they have provided adequate compensation. I'm not, therefore, asking them to take any further action.

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 Mr G to accept or reject my decision before 20 September 2024.

Phillip McMahon
Ombudsman