

The complaint

Miss M complains about the service she received from Creation Consumer Finance Ltd trading as Creation (Creation). Miss M says Creation had no consideration for her vulnerable condition.

What happened

In November 2022, Miss M entered into a fixed sum loan agreement with Creation. The total amount of credit on the agreement was £15,000, payable over 60 monthly repayments of £321.59.

In October 2023, Miss M complained to Creation about the service she received in relation to a balance that she requested to have written off on medical grounds. Creation issued their final response to Miss M's complaint in February 2024. In it, they acknowledged that three attempts were made by Miss M to have the balance written off. They confirmed they didn't process the first two requests correctly and the third was lacking relevant information and so was rejected.

Creation upheld Miss M's complaint, apologised for their poor service and said that they'd pay her £250 in compensation for the distress and inconvenience caused.

Unhappy with their response, Miss M brought her complaint to our service for investigation. Miss M said she didn't think the compensation offered was justified for the circumstances.

Having reviewed all the information on file, one of our investigators recommended that Miss M's complaint wasn't one that our service could look into. However, on further review they concluded that Miss M's complaint should not be upheld. The investigator acknowledged the mistakes made by Creation but felt they acted fairly in how they tried to resolve matters for Miss M.

Miss M didn't accept the investigator's assessment. She said the way in which she was treated by Creation significantly impacted her mental health and left her feeling vulnerable. So, she asked that her complaint be referred to an ombudsman for a final 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.

Firstly, I acknowledge what Miss M has told us about her medical conditions, and I'm sorry to hear about this. I recognise this would likely have made things more difficult for her. If she hasn't already done so, Miss M may decide to seek further support with her situation from recognised organisations. Further information about this can be found on our website at the following address: <https://www.financial-ombudsman.org.uk/accessibility/additional-support>

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh and the relevant law and regulations, regulators' rules, guidance

and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

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.

Miss M complains about the administration of her fixed sum loan agreement. Entering into consumer credit contracts like this is a regulated activity, so I'm satisfied we can consider Miss M's complaint about Creation.

In parts of Miss M's correspondence to the investigator, she raised concerns about the way Creation have handled the complaint against them. Complaint handling isn't a regulated activity in its own right. Nor is it one of the specified non-regulated activities that I'm able to deal with under our compulsory jurisdiction (DISP Rule 2.3.1R). And so, I'm unable to look into the specifics of this.

My focus in this decision is on the underlying financial service being complained about, which is the administration of the fixed sum loan agreement.

Miss M says she wasn't happy with the service she received from Creation when she requested to have her account balance written off.

In their final response, Creation confirmed that on two of the write off requests from Miss M, they failed to process it correctly and on the third there was missing information. Creation acknowledged their error. Neither party has disputed that Creation could have done things better in the circumstances. So, I've focused my decision on whether the proposed resolution by Creation was fair and reasonable.

To resolve matters, Creation upheld Miss M's complaint, apologised and arranged to pay her £250 in compensation for the poor service she received. However, Miss M felt this was inadequate in consideration of the impact the mistake had on her mental health.

In an email to the investigator dated 23 July 2024, Miss M said Creation were aware of her condition from the start of her journey with them. This is confirmed in Creation's system notes where an entry made in November 2022 shows that Miss M informed Creation about her difficulties and mental health conditions.

So, in consideration that Creation were aware of Miss M's situation, I've thought about whether they should have tried to resolve things differently.

Creation confirmed the errors relating to the write off request started on 29 August 2023, and it wasn't until 9 January 2024 that Miss M's request was adequately processed. The third request was rejected by Creation, and I've seen no evidence that this was a result of any error on the part of Creation. So, I've not considered that Creation made any mistakes with the processing of the write off after the second request.

From the evidence provided I'm not persuaded that the delay to the processing had any impact on the outcome of the write off request. I say this because after the third request was processed correctly the request was rejected, and I've seen no evidence that the delay or that a change in Miss M's circumstances during August 2023 to January 2024 contributed to Creation's decision to reject the request.

Having said that, I do think the delay caused Miss M significant distress, particularly considering her situation. So, I think it's right that Creation recognises their mistake. And in the circumstances, I'm satisfied that £250 fairly does this.

Miss M described the distress she experienced in relation to the delays. And from what she's told the investigator I acknowledge her strength of feeling about how her mental state was impacted. Miss M said the telephone conversations she had with Creation further demonstrated their failings towards her. Miss M didn't reference any particular phone calls, and neither party has provided any recordings, so I don't have any evidence that Creation treated Miss M unfairly during any phone conversations, and for this reason I'm not persuaded this is the case. I do, however, recognise from Creation's system notes that Miss M was significantly frustrated and distressed as a result of the delays and their handling of the complaint.

I've already said I won't be looking into how Creation handled the complaint against them; however, I've given careful thought to what Creation should be responsible for here. I'm not persuaded that a monetary value can necessarily make up for, or undo, how Miss M said she felt at the time, and I'm not persuaded that Creation should be responsible for any additional distress Miss M may have experienced at the time as a result of her medical conditions. Albeit I acknowledge they were aware of them, but that doesn't preclude them from making a mistake. I think the important thing here is that Creation acknowledges any mistakes and where possible, puts things right.

In their final response, Creation acknowledged their error and apologised for it. I can see that they then processed the request correctly, which was the main service Miss M required from them and which brought rise to the complaint. So, I think this was reasonable. As the request was rejected, I can see that Creation placed the account on hold for six months which I think was reasonable in the circumstances as it afforded Miss M some breathing space during her financial difficulties.

I also think £250 in compensation fairly recognises the four-month delay from the end of August 2023 to when the request was correctly processed in January 2024. I can't see from the evidence provided that Miss M was further impacted financially by the delay, for example I don't see from the account statement that any further interest or fees were applied during that time.

All things considered; I'm satisfied that Creation have acted fairly in how they've chosen to put things right for Miss M and so I won't be asking them to take any further action in relation to this complaint.

My final decision

Having thought about everything above, along with what is fair and reasonable, in the circumstances I don't uphold Miss M's complaint about Creation Consumer Finance Ltd trading as Creation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 August 2024.

Benjamin John
Ombudsman