

## **The complaint**

Mr M complains about Consumer Finance Ltd (“Creation”). He complains about the lack of help and support he says Creation has provided. Mr M also says it won’t accept a full and final settlement payment to close his account.

## **What happened**

The issues Mr M has experienced are in connection with a running credit account Creation granted him through a retailer. Due to repayment difficulties Mr M has a balance of just over £2,700.

Mr M says that he has been trying for some time to settle this account with a partial settlement payment, but no help has been forthcoming from Creation. Mr M said after many months of trying to get things resolved, he then raised a complaint in April 2024.

Creation responded to Mr M’s complaint in June 2024, explaining that it would need to see proof of income and expenditure before it would take a final settlement offer of £200. As the evidence it asked for hasn’t yet been provided Mr M was signposted back to Creation’s support team. Unhappy with this response, Mr M referred the complaint to the Financial Ombudsman.

The complaint was considered by an investigator, and she didn’t uphold it. She explained it was reasonable of Creation to have asked for information about Mr M’s income and expenditure details before it could agree to any settlement. She also said that Creation has a duty to report accurate information to the credit reference agencies and she’d not seen anything to suggest that Creation were ignoring Mr M (or his wife’s) telephone calls or emails.

Mr M didn’t agree with the investigator’s outcome saying

- He had spent over 40 minutes on the phone and wasn’t able to speak to anyone.
- Mr M confirmed he doesn’t have bank statements to provide Creation.

These comments didn’t change the investigator’s view of the complaint and as no agreement could be reached the complaint has been passed to me to decide.

## **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 reached broadly the same conclusions as those reached by the investigators for the same reasons. I’ve therefore not upheld Mr M’s complaint and I’ve explained why I’ve done this below.

Firstly, I just want to say that I’m satisfied that Mr M’s wife has been correctly set up as a named party on his account and Creation is now fully aware of his medical history. I do hope

Mr M is receiving the help and support that he needs, and Creation will need to consider what Mr M has told it when dealing with him and his account moving forward.

From the account notes that have been provided by Creation, I can see that Mr M's wife was added to the account as a point of contact in November 2023. And from December 2023, there were emails from Creation asking for any relevant medical documentation to enable Creation to update its records. This information was received and logged by Creation in April 2024. So since then, Creation has been fully aware of Mr M's health.

April 2024 also appears to be the first time a partial settlement payment was mentioned. In as much as Mr M was willing to pay £200 to settle the outstanding balance, and Creation, according to its notes asked for income and expenditure information to enable it to make a decision about this.

To start with, I don't think it's an unreasonable position for Creation to take to ask for some information about Mr M's income and expenditure before agreeing to what would amount to a significant write off from the debt that Mr M's owes it. It's fair and reasonable for Creation to have requested information to show that Mr M can't repay what is owed before it writes off most, or all, of the balance.

Equally, I don't think it would be fair or right for Creation to have accepted or put a payment plan in place without any information from Mr M about his income and expenditure. After all, all any plan that he may have wanted could've been unaffordable to Mr M and Creation would need to ensure any agreed plan was affordable for him.

It seems likely Creation wants this information to be satisfied that Mr M isn't for example receiving an income that could facilitate the debt being repaid through a monthly repayment plan. So, I like the investigator, I'm not persuaded Creation has made an error in requesting some evidence of Mr M's income and expenditure. So far that information hasn't been received by Creation and this is why the account hasn't yet been settled.

To be clear, Creation hasn't refused to consider a right off, merely it wants some further evidence before it agrees a way forward – which doesn't seem unreasonable. But clearly, this situation isn't tenable to continue as is. Creation is fully aware of Mr M's health issues and so I've sought out further guidance from Creation to see whether there is anything that it can or could do to assist Mr M – such as whether there is anything else that Mr M (or his wife) can provide it in order to bring this matter to a close.

Creation has said that it would need some evidence of proof of income to decide whether to accept the partial settlement. It has suggested that if Mr M is in receipt of any benefits then it would accept those letters – or even letters to confirm that Mr M isn't eligible for benefits. In short, the evidence Creation has said it needs to see something to confirm that either Mr M does or does not have an income. And how Mr M, is or isn't, able to pay for essentials – such as utilities or food.

So, Creation has opened the door, that it will accept something other than the bank statements that Mr M says can't be provided. Which I think is a fair way forward.

Mr M has said that emails, have gone unanswered, I only have system notes up to July 2024, but I can see that Creation has responded and logged emails that have been received. I can't rule out that there may have been times when emails weren't responded to as quickly as Mr M would've liked, but I've not seen anything to suggest that this has materially impacted his current position given the information Creation has requested.

Mr M also says there have been problems contacting Creation, for example he said that in October 2024, they spent 40 minutes on the phone trying to get through but were unable to. Whereas, Creation says, from its records, that they didn't receive any calls from Mr M (or his wife) in October 2024, and it's provided a screen shot which supports this position.

I don't know what has happened here perhaps there is no record on Creation's system because Mr M wasn't able to speak to anyway. Or Mr M called from a different number. But clearly there is a breakdown between the two parties, Creation is fully aware of Mr M's medical history and this does need to be considered. But overall, given the evidence I've seen, I don't think Creation has made an error in dealing with Mr M.

Creation has an obligation to report an accurate reflection of the conduct of the account to the credit reference agencies – this can be found in the Information Commissioner's Office guidance called "*Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies*". The payments haven't been made in line with the credit agreement indeed the last payment appears to have been made in August 2023, then I would expect there to be some adverse information reported to the credit reference agencies about this account because that is a reflection of what has happened.

Overall, I accept that Mr M will be disappointed by this outcome but I can't fairly conclude Creation has made an error by asking for further information to support the partial right off amount Mr M is willing to pay.

Moving forward, I'd remind Creation of its regulatory obligation to treat Mr M fairly and with forbearance in trying to work with him and / or his wife in the repayment of the balance.

### **My final decision**

For the reasons I've outlined above, I am not upholding Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 March 2025.

Robert Walker  
**Ombudsman**