DRN-5158403

The complaint

Miss W complains that her details were used fraudulently to put in place a finance agreement with Creation Consumer Finance Ltd (“Creation”).

What happened

On 21 February 2024, Miss W agreed to proceed with the supply of a kitchen from a company I’ll call ‘K’. Miss W says K gave her details of a proposed finance agreement they would arrange with Creation.

Miss W gave K’s kitchen designer the required personal information and a copy of her payslip to enable a credit check to be carried out. She says she only consented for her details to be used for this purpose.

K subsequently sent Miss W the kitchen contract and she signed this on 6 March 2024. Unfortunately, Miss W then experienced several problems with K and says they breached the contract and misrepresented it. A number of additional costs came to light on top of the signed contract and K then tried to bring the installation date forward as they didn’t have enough time to complete this by the time they had originally agreed.

Miss W tried to reject the delivery of the kitchen and says K disputed she had the right to do this. Miss W then realised that K had arranged to put the finance agreement with Creation in place, but says she never signed anything authorising this, and says a direct debit form enabling Creation to take payments from her had been unlawfully signed without her consent.

Miss W contacted Creation who told her that an online portal had been set up for her using her personal details and the direct debit form and finance agreement had been e-signed. Creation told Miss W they accepted she couldn’t have signed the forms because she had been in hospital giving birth to her son. Miss W felt therefore the only plausible explanation was that K had falsified her details to Creation so that they could then receive the payment from them for the kitchen contract.

Miss W asked K to confirm in writing who signed the finance agreement with Creation. K told her that her father did this, which Miss W disputed. K subsequently told Miss W they would cancel the contract with no financial penalties and would cancel the finance agreement with Creation.

Miss W complained to Creation saying they didn’t have proper security measures in place which meant that K was able to sign the direct debit form and finance agreement without her knowledge or consent.

Creation didn’t give a response on the merits of Miss W’s complaint and so she referred the matter to our service. Shortly afterwards, Creation sent Miss W their final response letter in which they said her finance application hadn’t been fraudulently submitted and directed her to speak with K if she could provide proof she didn’t sign the credit agreement.

Miss W's complaint was considered by one of our investigators, who didn't recommend that Creation needed to do anything. In summary, she didn't think Creation had done anything wrong.

As the matter remains unresolved, Miss W's 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.

I'm aware I've summarised the events of this complaint, rather than set out every event that happened. I don't mean any discourtesy by this – it just reflects the informal nature of our service. I want to assure Miss W and Creation though that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues, which our powers allow me to do.

Where the evidence is incomplete, inconclusive or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

It's important to remember here that I'm looking at the actions of Creation as a provider of financial services. I'm not considering how K acted, who are a separate legal entity to Creation.

From Miss W's evidence, it seems she was aware that K was considering the possibility of her entering finance with Creation for the kitchen. She mentioned in our complaint form that K had given her some details of the proposed finance, such as the total cost of credit and the monthly payments she would need to make. However, Miss W says she didn't sign anything confirming her acceptance to a finance agreement or to confirm she was happy to authorise Creation to take direct debt payments from her.

Creditors such as Creation will receive copy applications from credit brokers with e-signatures; that is now a common way for credit brokers such as K to arrange finance for goods and services. From what I've seen, Creation received the application from K, which included an e-signed finance agreement and direct debit form. If, as Miss W says, K falsified this information, then I can't see how Creation could either have been aware this occurred (as there was no physical signature which might have caused them to question what was shown), or that they should be responsible for the actions that K may have taken.

I'm satisfied that Creation acted in good faith when they received the details from K about Miss W's application and that it had no reason to doubt this had been authorised by her. If that wasn't the case, then that would be K's liability rather than Creation's.

As a result, I don't find that Creation needs to do anything to put things right. I won't therefore be upholding Miss W's complaint

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 19 September 2025.

Daniel Picken
Ombudsman