



The complaint

Mrs R is unhappy Creation Consumer Finance Ltd (Creation) have charged interest on her buy-now-pay-later transaction (BNPL).

Mrs R is represented in this matter by her husband, but for ease I will refer only to Mrs R throughout, as it is her agreement with Creation.

What happened

Mrs R has a running account credit agreement with Creation which is used for buying goods or services from a specified retailer (Company C).

On 9 July 2023 Mrs R purchased goods from Company C and, after paying a deposit, Mrs R used the BNPL method of payment for the remaining cost of the goods, which was £689.50.

The BNPL agreement had a Special Offer Date of 9 July 2024. If Mrs R paid £689.50 by this date, then she would not incur any interest on that sum.

Mrs R says she asked Company C when she needed to make her payment by and Company C gave her the wrong date - so she did not pay £689.50 by the Special Offer Date. Creation then applied £206.16 of interest to Mrs R's account.

On 2 August 2024 Mrs R paid the amount of £689.50 to Creation, but the interest applied still needed to be paid.

Creation did not uphold Mrs R's complaint as they said Mrs R had been given enough information about the Special Offer Date for this transaction.

Our Investigator concluded Creation had not done anything wrong. They said there was nothing to suggest Creation had given Mrs R incorrect information and suggested Mrs R approach Company C directly if she had any concerns with what they had told her.

Mrs R disagreed. She said it was not her fault as she had relied on the information Company C had told her, and the interest charged was money needed for food and the family. Mrs C also let us know that Creation were sending letters for the outstanding sum which she did not believe they should pay. Mrs C told us the matter was creating a great deal of stress.

Mrs R has recently told us, that to avoid further problems, she has now cleared the outstanding balance on her account.

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.

In considering what is fair and reasonable in all the circumstances of the case, I have taken into account any relevant law and regulations, regulators' rules, guidance and standards, codes of practice, and (where appropriate) what is considered to have been good industry practice at the relevant time.

It is not disputed that Mrs R did not pay for the goods in full by the Special Offer Date, so under the terms of the agreement Creation were entitled to apply interest to the account.

Mrs R says it was Company C that told her the wrong date for when the payment needed to be made to avoid interest being applied. I recognise Mrs R's frustration with Company C, but Company C are separate to Creation, so I cannot hold Creation responsible for anything Company C have done here. So it may be that Mrs R has a separate complaint against Company C directly. I can only consider Creation's actions under this complaint.

In accordance with fundamental regulatory obligations, standards and good practice I would expect Creation to treat their customer fairly and provide them with clear information at the right time to be able to make an informed decision.

Mrs S was familiar with this method of payment, so I think it's fair to say she knew it was important to pay the amount due before the Special Offer Date.

Mrs S approached Company C to check the Special Offer Date, but there is nothing to suggest she contacted Creation directly about it when the time was approaching. I've therefore considered what information was available to Mrs R before the Special Offer Date in question.

Creation said they wrote to Mrs R on 11 January 2024 to let her know when her BNPL period was going to end, and when she needed to make her payment by to avoid any interest on this purchase.

Unfortunately Creation do not hold a copy of this letter, but they have instead provided a sample letter to show what information it would have contained and provided an internal record that the letter was sent on 11 January 2024 to Mrs R's address – which is the same address as the one Mrs R has shared with this service, so I think it's fair to say this was the right address. It is difficult to know if Mrs R received the letter or not, but I think Creation more likely than not sent this to her and I would be unable to hold Creation responsible for any possible issues with the postal service.

Creation have shown Mrs R signed up to the Online Account Manager (OAM) on 19 December 2023 and the Creation App on 8 May 2022. Creation have explained Mrs R would have been able to see, through these channels, information including the Special Offer Date; balance; payment dates; and be able to make payments to the account. So I think relevant information about her transactions was available to Mrs R if she wanted to check her account, and find out when she needed to make her payments by.

Mrs R's statements dated 17 May 2024 and 17 June 2024 both set out that the BNPL for the goods in question would need to have the goods paid for in full by 9 July 2024. So I think Mrs R would have been able to know from her statements what payment was due and by when in order to avoid interest being applied. Creation have said it does not appear Mrs R has opened her statements, but I can't fairly say Creation have done anything wrong here as there is a responsibility on customers to check their own statements.

Overall, in the circumstances, I think information about the Special Offer Date was available to Mrs R to show how much she needed to pay, and by when, to avoid paying interest. I

therefore haven't found anything to persuade me Creation have acted unfairly in this particular case.

I understand this has been upsetting for Mrs R and her family and she has said managing the interest paid to the account has caused some financial challenges for them which I am sorry to hear. If Mrs R requires support and does not know where to start, the government backed MoneyHelper service could help her find a way forward.

My final decision

For the reasons above, my final decision is that I do not uphold Mrs R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 21 April 2025.

Kristina Mathews
Ombudsman