

The complaint

Ms S complains that Creation Consumer Finance Ltd hasn't provided the service it should have after she experienced issues with a washer-dryer she acquired through her credit agreement.

What happened

Ms S explained that she acquired a washer-dryer from a retailer in September 2022. This was financed through her credit agreement with Creation. She raised a complaint with the retailer in January 2024, explaining that the washer-dryer had developed a fault and she had received poor service when trying to get a replacement. The retailer investigated the issue and said that a replacement washer-dryer was delivered to Ms S on 13 February 2024. It accepted the service it provided wasn't as it should have been and offered to pay her £80 compensation because of this.

Ms S didn't consider that £80 compensation was sufficient. She raised this (as well as some other issues) with Creation. As she wasn't satisfied with the responses she had received from the retailer and Creation she referred her complaint to this service.

Following the referral of Ms S's complaint, Creation liaised with the retailer and an increased offer of £200 compensation was made. Ms S accepted this but there was then an issue about who was making the payment and the total amount being paid. Creation said that the £200 was being paid by the retailer and this was made up of the £80 compensation that had been paid in April 2024, and a further £120. Creation acknowledged that there was some miscommunication around this payment and as an apology said it had deducted £40 from Ms S's outstanding balance.

Our investigator explained that under Section 75 of the Consumer Credit Act 1974, Creation can be held jointly and severally liable for a breach of contract or misrepresentation of goods/services by the retailer. Because of this, she said that Creation should pay the compensation and then it could discuss this separately with the retailer.

Following further delays, Ms S declined the offer, and our investigator investigated the complaint and issued a view. She noted the delays in Ms S receiving a replacement washer-dryer and the inconvenience and distress that she was caused during this period. She also acknowledged the poor service Ms S had received. Taking this all into consideration our investigator said that Creation should pay Ms S £400.

Creation paid Ms S £400 compensation but due to the further delays, Ms S asked for the amount of compensation to be increased. She said that she was caused additional stress and inconvenience due to the delays and lack of contact. She also said the detriment caused to her and her family by Creation was greater than the amount of compensation that had been paid. She thought that given the experience she had and as her health conditions meant this situation was particularly distressing, she should receive compensation of between £750 and £1,500.

Creation didn't agree to increase the level of compensation. It said the £400 paid along with

the initial compensation from the retailer of £80 was reasonable.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a 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.

I am sorry to hear of the experience Ms S has had and I do not underestimate the upset this has caused her. This complaint is against Creation. As has previously been explained, under Section 75 of the Consumer Credit Act 1974, Creation can in certain circumstances be held jointly and severally liable for a breach of contract or misrepresentation of goods/services by the retailer. In this case, Ms S bought a washer-dryer using her credit agreement with Creation. The washer-dryer experienced a fault, and it was in response to this that she experienced issues.

Ms S has provided details of the timing of the issues she experienced. She has said that she visited the retailer's store on 8 December 2023 to arrange for a replacement washer-dryer. While Creation can be held liable in certain situations where goods are found to not be of satisfactory quality (in this case faulty) I cannot hold it liable for the service provided to Ms S by the retailer at this time. I note that the retailer said it paid Ms S £80 in April 2024 to apologise for the poor service provided and the inconvenience she had been caused.

Ms S was provided with a replacement washer-dryer, and this was delivered to her on 13 February 2024. As Ms S has been provided with a replacement washer-dryer this resolves this part of any claim. The outstanding issue is the amount of compensation that is reasonable given the issues Ms S has experienced both in regard to the replacement of the washer-dryer and subsequently while trying to resolve her complaint.

Due to the goods being faulty (and subsequent service delays) Ms S was without a working washer-dryer for around two months. During this period, she has explained that she had to travel to a laundrette in another town and pay the costs of this as well as incur extra costs for heating in order to dry clothes at home. Ms S has a disability and has explained that her health problems mean she needs access to clean clothes more frequently than might be the case for someone else and at times she wasn't able to go out due to not having clean clothing. I have taken all of this into account when considering what level of compensation is reasonable.

Additional to the distress, inconvenience and costs, suffered while she was without a washer-dryer, Ms S has said that Creation hasn't provided the service it should have in response to her complaint. She has noted a lack of contact and the delays in compensation being paid. I can understand why this has added to the stress of this issue.

Creation paid Ms S £400 compensation on 18 November 2024. This is additional to the compensation paid by the retailer. I understand that Ms S doesn't think this is enough but in this case I find this reasonable. I say this because while Ms S was caused considerable distress and inconvenience during the period she was without a washer-dryer, this issue was resolved in around two months, and I cannot hold Creation liable for the service she received from the retailer during that period.

Since the issue was raised with Creation, I accept that there have been delays. An offer was made to increase the amount of compensation, but it wasn't clear that this was from the retailer, and this caused further delay and confusion. The case was then reviewed by this

service and a view issued. Creation accepted the view on 12 November 2024. This was later than the requested response date (16 October 2024) but I note that the payment was made on 18 November and so I do not find the delay in confirming the acceptance of the view significantly delayed the overall payment. Ms S then requested a higher amount of compensation and this resulted in further discussions. While I appreciate this extended the period in which Ms S had needed to deal with the complaint and the stress due to this, as I think the amount paid by Creation in November 2024 was fair, I do not find that I can say it is required to pay anything further for this.

So, while I understand this issue has been upsetting for Ms S, in this case I do not require Creation to pay any further compensation (above the £400 already paid and noting the £80 paid by the retailer) for the issues she experienced.

My final decision

My final decision is that by paying Ms S the additional £400 compensation, Creation Consumer Finance Ltd has done enough to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 27 March 2025.

Jane Archer
Ombudsman