

The complaint

Mr C complains that somebody opened an account in his name and accrued a debt. The account was with Creation Consumer Finance Ltd (Creation). He'd like Creation to stop pursuing him for the debt, close the account and remove it from his credit file. And remove the Cifas marker it has applied to him.

What happened

An account was opened with Creation, in Mr C's name. There's conflicting information about whether Mr C knew the account was being opened, or whether it was done without his knowledge. Most recently Mr C has said that a friend told him about the buy now, pay later account that Creation offered. Mr C said he didn't need the account, so his friend suggested he open the account in Mr C's name and be responsible for the payments.

Later, Mr C was concerned that he had been scammed. Mr C got in touch with Creation to explain he thought the account had been opened fraudulently. He also reported it to the police.

Mr C asked Creation what the outstanding balance was on the account and asked if the account was closed. Creation confirmed there was no outstanding balance, and the account would be closed.

After a couple of months. Mr C checked his credit file and noticed the account was still showing as active. He contacted Creation again and was told the account had been settled and closed. Mr C was told that it could take up to 28 days for his credit file to be updated.

In December 2023, Mr C's other banking providers closed his accounts. This concerned him and led him to contact Cifas to query whether he had a Cifas marker against his name. Cifas confirmed that Creation had uploaded a marker in June 2023.

Mr C had some further contact with Creation and in May 2024, he raised a complaint. Creation responded and explained that their fraud team would be looking into Mr C's concerns that the account was opened fraudulently. But they agreed to pay £100 to Mr C for the delay in getting back to him.

Mr C remained unhappy and brought his complaint to this Service. Creation confirmed while the complaint was with us, that they'd concluded their fraud investigation and they think Mr C willingly provided his details to a third party who opened the account, as such as they didn't think it had been opened fraudulently. It was also confirmed that the account was still active and was in arrears.

One of our Investigators considered the matter. After several emails, it was agreed that Creation would remove the Cifas marker as a gesture of goodwill. But our investigator didn't think that Creation should stop pursuing Mr C for the debt owed or remove it from his credit file. This is because she thought he was aware that the account had been opened in his name, and that it hadn't been opened fraudulently. But she did think Creation should pay Mr C some compensation for delays and poor customer service, especially when telling Mr C

that the account was closed and settled, when it wasn't. It was agreed that the compensation (£200) would be deducted from the amount Mr C owed.

Mr C disagreed – he wanted the account to be closed and removed from his credit file. The investigator didn't agree to this and so 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.

Account opening

Mr C has provided different narratives of what happened at the time the account was opened. In some instances, he said the account was opened fraudulently without his consent or knowledge. And in other instances (on our complaint form and on his declaration form for Creation), he said he was encouraged by a friend to open the account, and when he said he didn't need it, his friend opened it using his details and used the account, on the promise of being responsible for the payments.

Where there is a dispute about what happened, I must make my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened based on the available evidence.

Creation have provided a copy of the credit agreement that was sent when the account was opened. The details on the agreement are Mr C's details – including his full name and address at the time.

Based on Mr C's testimony and the information that was used to open the account, I'm persuaded that Mr C willingly provided his details to a known third party to open the account. As such it was opened with his consent and knowledge. The terms and conditions of the account explain who is liable for the repayments (account holder), therefore it follows that Creation is entitled to record this account with the credit reference agencies and to pursue Mr C for the debt accrued.

I understand this will be disappointing to Mr C, but I must base my decision on the information available. And I'm satisfied that Mr C had some knowledge that this account was opened in his name – either through entering the details himself or providing them to a known third party. As a result, I think he should've reasonably been aware that he would be liable for the repayments.

Cifas Marker

The Cifas marker that Creation filed with Cifas was intended to record that there's been a 'misuse of facility'. The reason for filing the marker was due to evasion of payment. Creation has explained that there were a series of chargebacks for payments made towards the account, leaving it in arrears, which prompted them to investigate what was going on and load the marker.

Creation haven't provided much information about what happened at the time they loaded the Cifas marker. But they've agreed to remove the Cifas marker applied to Mr C as a gesture of goodwill, so I do not need to make a finding on whether they should've applied it or not. They've confirmed it has now been removed, so there is no further action for them to take with this.

I've considered the impact of the CIFAS marker being loaded on Mr C, such as his other bank accounts being closed. But given that I think he was willingly involved in the opening of the account - I don't think it would be appropriate for me to award compensation for the distress and inconvenience caused.

Customer service issues

I've reviewed the correspondence between Creation and Mr C and there have been some customer service failings. Creation on two occasions led Mr C into believing the account had been closed or settled, which meant he didn't think he owed any money on the account. This was misleading and caused Mr C distress when he realised this wasn't the case.

They also took a long time to respond to him when he raised concerns about the account being opened fraudulently. The investigator recommended £200 for the failings, which Creation agreed to.

Creation has said they are entitled to deduct the compensation owed to Mr C from the account balance – they've referred to their terms and conditions. I've thought about whether this is fair and reasonable in the circumstances of the complaint, and I think it is. Creation has confirmed that the amount owed is over £3000 and no further purchases can be made on the account because it is in arrears. Given, that no payments have been made towards the account recently, I consider it fair that Creation use the distress and inconvenience payment towards the balance owed.

Putting things right

Creation Consumer Finance Ltd should:

- Pay £200 compensation to Mr C's outstanding debt on this account

My final decision

For the reasons explained above, I partially uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 October 2025.

Rachel Killian
Ombudsman