

The complaint

Mr B complains that Creation Consumer Finance Ltd (“Creation”) failed to provide clear and timely reminders that the interest-free period on his credit agreement was coming to an end.

What happened

In June 2024, Mr B entered into a Buy Now Pay Later credit agreement with Creation to fund a purchase from a retailer which I’ll call C. Under the terms of the agreement, the Buy Now Pay Later period was 12 months (the “BNPL period”). No interest was payable during this time. But interest would be applied to any balance which remained outstanding after the BNPL period came to an end.

The BNPL period ended in June 2025. Mr B hadn’t made any payments to the account, so the full amount of the credit remained outstanding. Creation applied interest to the balance.

Mr B made a complaint. He said that Creation hadn’t provided clear and timely reminders that the BNPL period was coming to an end. So he didn’t think the interest should have been applied and asked Creation to remove it.

Creation said it had written to Mr B in August and December 2024 to remind him when the BNPL period would end. It said it had also issued statements which confirmed the position. It didn’t think it had done anything wrong, so it didn’t agree to remove the interest.

Mr B wasn’t happy with Creation’s response and brought the complaint to this service. Our Investigator didn’t think Creation needed to do anything. But Mr B didn’t agree and asked for the complaint to be reviewed by an Ombudsman. He didn’t think Creation had acted fairly and said that the interest should be removed.

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.

The starting point here is the credit agreement which Mr B signed in June 2024. By signing and entering into the agreement, he agreed to the terms and conditions of the credit agreement. I think it’s clear from that document that the BNPL period was 12 months. And the agreement confirmed the exact date on which the BNPL period would end.

Under the terms and conditions, Creation is entitled to charge interest on any amount outstanding after that date. It’s not disputed that Mr B had an outstanding balance after the BNPL period ended. So, Creation was entitled to apply interest to that balance. As to the amount of interest, the terms and conditions say that this will be calculated from the date of Mr B’s purchase, at the rate specified in the agreement. I’m satisfied that Creation applied interest to Mr B’s account in line with the terms and conditions.

But Mr B says that Creation acted unfairly by failing to give him clear and timely reminders that the BNPL period was coming to an end. It’s not disputed that Creation sent Mr B an

email in August 2024; Mr B has confirmed that he received this and provided a copy to our Investigator. Creation says that it also sent Mr B a letter through the post in December 2024. Mr B says he didn't receive this and I don't doubt what he says. I haven't seen anything which explains why he didn't receive the letter, but I'm satisfied that it was sent.

So, Creation did send reminders to Mr B. But Mr B says that these were sent so far in advance of the BNPL period ending that, even if he'd received both of them, they didn't serve as useful reminders. Rule 6.7.16A(2) of the Consumer Credit Sourcebook (CONC) is relevant here. It states:

"Where a customer has the benefit of a zero-percentage or low interest, introductory or promotional offer that depends on the customer meeting certain conditions, a firm must provide notice to the customer reminding them of any action they need to take to meet the conditions of the offer and the date by which this action must be taken, within a reasonable period before that date, taking account of the time at which the information may be most useful to the customer. This notice must be provided in an appropriate medium (taking into account any preferences expressed by the customer about the medium of communication between the firm and the customer), in plain language and sufficiently prominent, so that it is likely to be seen and understood by the customer."

I find that Creation sent statements to Mr B in April and May 2025. I think this was within a reasonable time before the BNPL period expired. The statements made it clear when the BNPL period was going to end and what this meant for Mr B.

But Mr B says that he didn't notice or access the statements because he received hundreds of emails from Creation and C during the BNPL period. He says this made it very difficult to identify anything important. He has also explained that he was dealing with extremely difficult personal circumstances at the time. I'm sorry to hear that. But I don't think Creation did anything wrong in the way it sent the statements. Under the terms of the credit agreement, Mr B agreed that Creation could send statements for him to view online and send him notification of these by email. So, it was reasonable for it to send the statements in this way.

Mr B wants Creation to provide evidence that he viewed the statements. But it wouldn't be able to provide that, as Mr B himself has said that he didn't view them. In any event, it was not Creation's responsibility to ensure that the statements were viewed. It was obliged to send them, and I'm satisfied it did that. It was then Mr B's responsibility to view them.

The terms and conditions say that Creation will send Mr B a statement each month. I don't think it did that here; the evidence I've seen shows that it only sent statements from April 2025 onwards. However, I don't think the lack of statements before that caused Mr B any detriment. There had been no activity on the account. And Mr B's concern is to do with being notified in a timely manner, reasonably close to the expiry of the BNPL period so that the reminder would be useful. I think the statements which Creation provided fulfilled this function.

In conclusion, I find that it was clear from Mr B's statements when the BNPL period was coming to an end. I think the statements were sent to Mr B at a reasonable time, by an appropriate method and I think the information in them was clear. So, I think Creation did enough here.

Mr B has asked if Creation would be willing to reduce the interest to the level it was at in June. It didn't agree to do that, and I don't think it needs to. I'm sorry to disappoint Mr B, but I don't think Creation did anything wrong or treated him unfairly, so I don't think it needs to take any action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 January 2026.

Katy Kidd
Ombudsman