

## The complaint

Mr A has complained that Creation Consumer Finance Ltd “Creation” didn’t properly deal with his claim for money back in relation to an air fryer he purchased using credit provided by Creation.

## What happened

The facts in this case are not disputed so I’ll only briefly set them out here. In September 2023, Mr A says he bought an air fryer which cost £199, from a supplier (who I’ll refer to as P). He used his store credit account with Creation to make the purchase. He was due to make 24 monthly payments of £12.27 to pay for the air fryer including interest. The air fryer was to be collected from a store.

After making the purchase, Mr A changed his mind and decided to purchase a different air fryer. He visited the store to cancel this air fryer and purchase a different one. While he was able to purchase a different air fryer, he was informed he’d need to cancel the original order online. He subsequently received an email from P, saying that if he didn’t collect the air fryer originally ordered, it would automatically refund him – although P never did this. Mr A says he contacted P to cancel the order, but it wasn’t cancelled.

Mr A contacted Creation in March 2024, and it advised him that he needed to contact P to cancel the order. Mr A says he tried to resolve this with P on many occasions, repeatedly calling it but it ignored/dismissed his concerns and never resolved the issue.

In February 2025, it seems Mr A contacted Creation again to make a claim under section 75 of the Consumer Credit Act 1974 (section 75) for the reasons mentioned above, saying that P had still not cancelled the order and he’d been paying for an item he never collected. At this time, Creation cancelled the agreement and refunded 11 payments of £12.27 which is what Mr A had paid towards the air fryer amounting to £134.97.

Mr A referred the matter to this service saying it shouldn’t have taken over a year for this to be resolved and it had caused Mr A considerable stress, anxiety and frustration trying to get P to cancel the order. He wanted to be compensated for the inconvenience it had caused him, and he also felt that Creation hadn’t refunded the interest he’d paid.

Before looking into the complaint, Creation informed this service that P had offered £200 compensation for the distress and inconvenience caused with the way it had handled Mr A’s dispute.

Mr A’s complaint was considered by one of our investigators. They didn’t think the complaint should be upheld. They felt that while it seemed like there might have been a breach of contract on the part of P, this had already been remedied by Creation by refunding all payments Mr A had made into his account. They explained that interest appeared to have already been refunded. They also notified Mr A that he could contact P to accept its offer of £200 compensation if he wished to do so.

Mr A said that P had caused him significant distress during the time he'd tried to resolve matters and felt a compensation amount of £500 was more in line with what he felt was fair. He added that Creation was informed about the issue in March 2024, but it continued to charge him and never followed up on this issue so felt Creation ought to compensate him too.

Our investigator explained that when Mr A contacted Creation in March 2024, it appeared to be a retail dispute that an order needed to be cancelled, so it wasn't unfair for Creation to refer him to P. When he contacted Creation in February 2025, it promptly cancelled the agreement, and refunded the amounts paid including interest. So, they didn't feel Creation needed to do anymore.

Mr A disagreed. He said that he felt Creation ought to have provided more assistance rather than simply referring him back to P, when he'd already tried cancelling the purchase with P. He didn't call Creation again after March 2024, as he was advised this was an issue P could sort out, so he instead continued to chase P. He reiterated that he felt Creation should offer him £500 compensation for its service failings.

As the complaint couldn't be resolved, the complaint has been passed to me to make 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.

Firstly, I'd like to reassure Mr A, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of this complaint in this decision as I'm required to decide matters quickly and with minimum formality.

It may be helpful to explain that I need to consider whether Creation – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr A's claim. Section 75 is a statutory protection that enables Mr A to make a 'like claim' against Creation for breach of contract or misrepresentation by a supplier because he paid for the goods using credit provided by Creation. So, I need to consider whether, based on the available evidence, it was fair and reasonable for Creation to respond to his claim in the way that it did, and if not, if there's grounds for me to uphold Mr A's complaint and order a remedy.

It seems to me that it's no longer in dispute that P ought to have cancelled the order more swiftly and Mr A shouldn't have been charged for an air fryer that he hadn't collected and had cancelled. But this matter has already been put right by Creation by refunding to Mr A everything that he was charged including interest. Mr A has recently accepted the refund from Creation did indeed include interest. The only matter left in dispute is whether Creation ought to offer Mr A further compensation for the distress and inconvenience caused.

Having reviewed the complaint in its entirety, I do not uphold Mr A's complaint and I'll explain why. This is a complaint about Creation's response to Mr A's section 75 claim – I cannot look at or comment on any service failings of P as part of this complaint. I can only look at whether Mr A's section 75 claim is valid and if so, what (if any) remedy he is entitled to from Creation.

Compensation for distress and inconvenience is not normally recoverable for a section 75 claim of this type. And in any event, I am in agreement with our investigator's view of the complaint. When Mr A contacted Creation in March 2024, it is not unusual or inappropriate for it to refer him to P in the first instance. It was a retail issue at this point, and had P

cancelled the order the way it ought to have done, then there would have been no need for Creation to escalate matters. While I appreciate Mr A feels like he'd already tried to raise this with P and that's why he called Creation, I still don't think it was unreasonable for it to refer him to P. It should have been a simple matter of P cancelling the order and notifying Creation of that so it could cancel the agreement. I fully understand why Mr A has been left so frustrated by the process – but I don't think *Creation* acted unfairly by doing what is likely to be standard in the industry for this type of issue in the first instance.

The problem seems to have escalated due to the service failings of P. But as soon as Mr A contacted Creation a second time, it acted swiftly and provided him with a refund. So, I don't think the service levels from Creation itself were unreasonable or fell to a standard that warrants compensation from Creation.

I'm not suggesting that Mr A hasn't suffered from poor service or things haven't gone wrong. And I sympathise with Mr A's position. But as explained above, I cannot compel Creation to offer compensation for service failings of P under a claim for section 75. Section 75 only makes Creation liable for breach of contract or misrepresentation of P, not for everything that it does that Mr A might be unhappy with. The protection is limited. And of course, Creation is responsible for its own service failings, but I don't think the service it provided to Mr A was unreasonable. So, I find no grounds to direct Creation to offer him the compensation he's requested.

If Mr A still wishes to accept the offer of £200 from P, than he may be able to contact it directly to accept that. But I don't think overall Creation has acted unfairly and find no grounds to uphold Mr A's complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 February 2026.

Asma Begum  
**Ombudsman**