

## The complaint

Mrs P complains about the way Creation Consumer Finance Limited ('Creation'), handled her credit account.

## What happened

In early 2022, Mrs P bought a computer from a retailer which was funded under a credit agreement (the 'agreement') with Creation. This had an 'interest bearing cash option' that granted her the option to settle the agreement interest free providing she paid eighteen consecutive direct debits and a lump sum payment of 557.24 euros on, or before, 15 September 2023 (the 'cash option deadline'). Mrs P contacted Creation in August and September 2023 after being advised about the lump sum payment being due. But Creation didn't respond until November 2023. Creation advised Mrs P at this point that she'd missed the cash option deadline which meant she would be liable to pay interest. Creation, did, however, pay Mrs P 100 euros in compensation for the late reply.

Mrs P complained to Creation about the way it handled her account. I issued an initial assessment to both parties saying that whilst I thought the matter was within out jurisdiction (something Creation had initially disputed), I wasn't going to uphold the complaint. Creation agreed with my findings and added nothing further. Mrs P maintained she was going to pay the 'final' payment of 57 euros but was prevented from doing so by an error made by Creation. So, the matter has been passed to me to finalise.

## 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.

As I said in my initial findings, it does appear that Mrs P referred the matter to us within the six month time limit that applies. As neither party disputed this part of my findings I'll not say anything further on this point. I want to reassure Mrs P that I've fully reconsidered everything she's said both over the phone and in writing to us. However, for the reasons I've communicated to both her and Creation, I remain satisfied that this complaint shouldn't be upheld. I'll explain why.

It's not disputed that Creation responded to Mrs P's query about repaying the lump sum two months after her email query was made in September 2023. However, in order to uphold this complaint, I'd need to be satisfied that *but for* this error, Mrs P would've made the lump sum payment on time.

From what I can see, Mrs P continued to repay by way of the monthly payments and didn't contact Creation again until 2024. She says she did try to call Creation in, or around, September 2023 to make the lump sum payment. But Creation said it can't find any record of receiving inbound calls from Mrs P's registered phone number at around this time. Further, when Creation did reply to Mrs P in November 2023, the next contact I can see from her was in early 2024. And it doesn't appear that she was attempting to make the lump sum payment at this point. As I've said, she instead continued to make the monthly contractual repayments

of just over £50 (sterling). Mrs P stopped making any repayments in June 2024 and this is the point where it appears her account entered into arrears.

Given all of the above, I'm not persuaded that Creation's error of not contacting Mrs P for two months following her email sent in September 2023, was the cause of her failure to make the lump sum payment by the cash option deadline. Even after Creation responded to Mrs P in November 2023, she didn't get in touch again for another few months. And she was making monthly repayments in line with the agreement up until June 2024, which suggests she wanted to continue to pay these sums rather than to settle the account with a lump sum payment. On balance, I can't fairly or reasonably say Creation's mistake was the cause of Mrs P not making a lump sum payment by the cash option deadline. And therefore, I can't say it has acted unfairly or unreasonably for applying the interest in line with the agreement.

That said, for responding to Mrs P late I do think Creation made an error. I'm satisfied the 100 euros Creation applied to Mrs P's account is fair and reasonable compensation for this one off error. After receiving Creation's final response (and the compensation) Mrs P made another complaint point about being given incorrect bank details by Creation in January 2025. However, as noted above, the payment Mrs P was seeking to make wasn't enough to clear the arrears or the outstanding balance. I know Mrs P has said she was told in October 2024 that she only owed 57.83 euros. But this amount was simply the arrears which was explained to Mrs P by Creation.

From what Mrs P has said she only contacted Creation in January 2025 to ask it about how to make the payment of 57.83 euros. She then contacted Creation to say that the bank details she was provided with were incorrect. She did this in February 2025, on the same day she tried to make a payment. And it seems on the same date, Creation gave detailed information about the bank account she should use and also other ways to pay such as over the phone. Creation also told Mrs P that her arrears had increase due to no further payments being received since June 2024. By this point the arrears had increased to 268.27 euros leaving a remaining balance of 425.90 euros (as of February 2025).

So, I'm satisfied Creation has acted fairly and reasonably in all the circumstances of this case. I don't think any mistake that may've been made by Creation has been the cause of Mrs P being in arrears or not being able to settle her account. I appreciate Mrs P wants the negative (arrears) markers removed from her credit file but as I've said, I can't see that the account being in arrears was the fault of anything done by Creation.

For all these reasons, I'm not upholding this complaint. I appreciate this will remain a disappointing outcome for Mrs P.

### **My final decision**

My final decision is that I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 23 February 2026.

Yolande Mcleod  
**Ombudsman**