

## **The complaint**

Miss A complains that CREATION CONSUMER FINANCE LIMITED (Creation) refused to delay the start date of a credit agreement after the initially faulty item was replaced.

## **What happened**

In January 2025 Miss A purchased an item from a merchant at a cost of £1,599. This turned out to be faulty and the merchant replaced it in February. Miss A had funded the purchase with a fixed sum loan agreement with Creation which offered a six-month interest free period. Miss A wanted to adjust the date of the end of the interest free period from 13 July to 18 August 2025. She says the merchant agreed, but Creation refused.

Creation rejected her complaint and issued a final response letter on 15 July 2025. It said the terms of the agreement do not change if the goods are replaced. Miss A did not clear the loan within the six-month period and so incurred interest.

Miss A brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. Miss A said Creation had told her in the course of a phone call that the date could be moved. Our investigator listened to those calls and concluded Miss A had not been advised the date would be changed.

Miss A said the merchant was also responsible and that its role should be considered. Our investigator explained that our remit does not extend to the actions of the merchant. Miss A remained unhappy with the outcome and asked that the complaint be referred to an ombudsman.

## **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 have every sympathy with Miss A, but I do not consider I can uphold her complaint. I will explain why.

The merchant may have acted as agent for Creation and facilitated the loan agreement. Under Section 56 of the Consumer Credit Act, finance providers can be held liable for what the credit broker and seller say about the goods before the regulated credit agreement is entered into by the consumer and before the purchase is made. But they cannot be held liable for what it says after the agreement is entered into. That means I cannot hold the merchant responsible for its actions after the sale was made.

The terms of the agreement signed by Miss A do not provide for the interest period to be altered and while I can understand Miss A's wish that that period be extended there was no basis for it to be moved. The special offer date or interest free period began when the loan commenced and is not affected by the goods being returned and replaced.

I have listened to the calls made to Creation and she was given some hope that the start

date could be delayed and was referred back to the merchant. I gather the merchant referred her back to Creation. I can appreciate that she found this process frustrating, but at no time was she told that Creation would alter the date. One call handler said that if she terminated this agreement and took out a new one then the date would differ, but that would depend on the merchant.

The reality was that Miss A was made aware that she would have to pay off the loan by 13 July to avoid paying interest and while she didn't think that was fair she was not told otherwise. When she entered into the agreement she was aware of the date by which she had to pay off the loan and the fact the item had to be replaced a month later did not mean the interest free period changed. All Creation did was give her some hope that the merchant may be able to assist, but it was made clear that it would not change the date.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 March 2026.

Ivor Graham  
**Ombudsman**