

Complaint

Mr C complains about the way Creation Financial Services Limited handled his credit card application.

Background

Mr C applied for a credit card with Creation on 27 December 2018 and says he was told the process should take between seven and ten working days to complete.

On 17 January 2019 Mr C called Creation to ask about the progress of his application. Mr C was told that his application had been referred to underwriters. During the call Mr C asked whether he could cancel his application and what the effect would be on his credit file. The call handler agreed to contact Mr C after she found out about his application. She also agreed to register a complaint for Mr C and said the relevant department would email him.

Mr C called Creation back on 24 January 2019. He was told that due to systems problems there was a delay in reviewing applications which meant Mr C's hadn't yet been reviewed. Mr C was told Creation would look at his application shortly and let him know its decision. The call handler also advised that the complaint Mr C had previously made had been classified as an underwriting query so no response had been issued. Another complaint was raised on Mr C's behalf. During a later call on 24 January 2019 Mr C withdrew his application.

On 20 March 2019 Creation responded to Mr C's complaint and apologised for the delays with the application. Creation went on to send Mr C a cheque for £50. Over the following weeks Mr C had further calls with Creation and raised concerns over the length of time it had taken to respond to his questions and complaint. Creation agreed to increase the compensation from £50 to £100 and said Mr C could refer his case to our service if he remained unhappy.

Mr C asked us to look at his complaint and it was passed to an adjudicator. The adjudicator agreed that the service provided to Mr C had been poor and recommended Creation increase the total award to £150 and remove the credit search from his records. Mr C got in touch to say he wouldn't accept that level of compensation and asked to appeal. Creation also didn't feel the adjudicator's recommendations were fair. As a result, Mr C's complaint has been passed to me to make a decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can understand why Mr C is upset. He applied for a credit card in good faith and was led to believe the process would take between seven to ten working days to complete. After no contact was received Mr C chased the progress of the application. Despite being advised a complaint would be raised and his application reviewed Mr C wasn't contacted again by Creation. Given the delays and service provided up to that point, I think Mr C's decision to cancel his application was reasonable.

The adjudicator asked Creation to remove the credit search it completed from Mr C's credit file. But Creation refused and said the credit search would've shown on Mr C's credit file

whether the application was successful or not. But Creation told Mr C his application was never actually considered. And, because of the poor service and delays, Mr C chose to withdraw his application. The question I need to consider is whether Mr C would have applied for the Creation credit card if he was aware of the true timescales and delays. I'm satisfied, from what he's told us, that he wouldn't have made an application on that basis. That would have meant no credit search from Creation on his credit file. So I agree with the adjudicator that the fairest approach is to remove any trace of a credit search by Creation from Mr C's credit file.

The adjudicator recommended an increase in the settlement from £100 to £150 as he felt the level of service provided by Creation was poor. Creation said it thought the existing offer of £100 was fair but Mr C said he wanted more because of the delays he experienced. I've considered everything that Mr C has told us about the delay, the service he received and how the way the application and complaints were handled impacted him. I won't respond to the individual points he's raised by want to assure Mr C that I've considered everything he's told us. I've also taken everything that Creation has said into account.

I agree the service was poor and that Creation took too long to review the application and update Mr C. It's clear from the calls that Mr C became very frustrated with the service he received and lack of contact from various people at Creation. I've thought about the impact of all the issues raised by Mr C. Having done so, I agree with the adjudicator that £150 fairly reflects the impact of problems Mr C faced. I know my decision is likely to disappoint Mr C but I'm satisfied £150 is fair in all the circumstances.

My final decision

My decision is that I uphold this complaint and direct Creation Financial Services Limited to do the following:

- Remove any information reported to the credit reference agencies about Mr C's credit card application
- Pay Mr C £150 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 March 2020.

Marco Manente
Ombudsman