

complaint

Miss F, represented by Mr M, complains that Creation Financial Services Limited failed to take the payments due under her finance agreement resulting in a negative impact on her credit file. She also complains that this issue has been ongoing for months because Creation kept saying it needed more time to investigate.

background

Miss F says she acquired items on her credit account with Creation over a number of years without issues. However, following her latest purchase she says Creation did not take the required payments from her account. She says that there was no reason for this as she had the necessary instruction set up and had the required funds available. She says this meant negative information was recorded on her credit file.

Miss F also complains that she raised this issue with Creation in September 2015 and it kept writing to her saying it needed more time to investigate. She did not receive a final response letter until February 2016.

Creation says that it investigated Miss F's complaint. It found that a direct debit was set up using the details provided when Miss F applied for finance. It says that when it tried to take the payment via the direct debit it received notification from Miss F's bank that it had no instruction in place. Creation says it sent the instruction to Miss F's bank on two further occasions but the direct debit was returned unpaid.

Creation said that it had not made a mistake in this case but noted that the problem seemed to be an issue with Miss F's bank. Because of this is agreed to remove all negative markers from Miss F's credit file.

The adjudicator said that Creation had provided evidence that it attempted to take the direct debit payment but that it was notified there was no instruction in place. She noted that Creation had agreed to remove the negative markers from Miss F's credit file. She said that because Creation had not made a mistake she did not require it to pay Miss F compensation.

Miss F did not agree and said that Creation should be held accountable for the time it had taken to deal with her complaint.

my findings

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

Based on the evidence provided it appears that Creation did attempt to take the payments due from Miss F but it was informed that an instruction to pay had not been set up. Because of the missed payment negative information was recorded on Miss F's credit file.

I understand that this must have been upsetting for Miss F. However my role is to decide whether or not Creation did anything wrong and in this case the evidence suggests that it did not make a mistake.

That said, Creation has agreed to remove the negative information from Miss F's credit file as its investigation showed the missed payment was not down to a fault of Miss F. I find this reasonable.

By removing the negative information from Miss F's credit file, I find this puts Miss F back in the position she would have been in had the payment issue not occurred.

Miss F wants compensation for this issue and the time it took Creation to deal with it. She has also mentioned that the negative information on her credit file affected her ability to get other credit.

I have not seen any evidence that Miss F suffered a financial loss as a result of the information on her credit file. While I appreciate her comments about getting other credit, I also note that credit providers use a range of sources when deciding whether to provide credit and at what rate. I do not have information about the loans Miss F was unable to get and I cannot say that this issue is the reason she did not get them.

I can see that Creation took time to complete its investigation into Miss F's complaint. However having looked at the contact notes provided and given the issue does not appear to have been caused by Creation, I find that removing the adverse credit information from Miss F's credit file is sufficient.

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 Mr M, on behalf of Miss F, to accept or reject my decision before 20 June 2016.

Jane Archer
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