

complaint

Mr G complains that Creation Financial Services Limited failed to allow him to reinstate his interest free period after he was late with a payment despite being told it would do so.

background

Mr G has a credit card account with Creation which offers an interest free period. In May 2018 he missed a payment due to being in hospital which meant he lost the benefit of the interest free offer. During the course of two calls he was told that the interest free period would be reinstated, but this was wrong. Subsequently Creation has pursued him for the outstanding money.

Creation rejected his complaint and so he brought it to this service. It was considered by one of our adjudicators who recommended it be upheld. He said Mr G had been led to believe that the interest free period would be allowed to continue, but that was incorrect. He didn't think Creation was wrong to remove it but he felt it had caused Mr G inconvenience because he had to contact Creation on several occasions to clarify what the correct position was.

He was also caused distress by his expectation of having the interest free period reinstated being dashed. The adjudicator said that Creation was entitled under its terms and conditions to remove the interest free period as Mr G had failed to make a monthly payment on time. Therefore he couldn't ask it to reinstate it, but he felt it should compensate Mr G for the distress and loss of expectation and pay him £100.

Creation agreed, but Mr G didn't and asked that an ombudsman review his 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.

I can understand Mr G's frustration and annoyance. He missed his monthly payment due to being in hospital and then when he spoke to Creation on two separate occasions he was given incorrect advice.

I have to consider what Creation did wrong and then decide how best to put Mr G back in the position he would have been had no mistake been made.

Even though Mr G had a good reason to have failed to make his monthly payment this does not mean that Creation were obliged to overlook the terms and conditions of the account. It could have done as a gesture of goodwill, but it has not decided to do so and I cannot require it to go against that decision. Removing the interest free offer was done in accordance with the terms and conditions of the account.

What was wrong was the advice by two call handlers that the interest free period would be reinstated. Those were errors and for the loss of expectation they created Mr G is entitled to some compensation. The aim of this service is to put people back into the situation they would have been had the errors not been made. The only errors made were the two call handlers giving incorrect information. If the two call handlers hadn't got it wrong then Mr G would still have lost his interest free period. While that would have been frustrating he at least wouldn't have had his hopes incorrectly raised.

Therefore I agree that Creation should pay Mr G £100 compensation.

my final decision

My final decision is that I uphold this complaint and I direct Creation Financial Services Limited to pay Mr G £100. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 February 2019.

Ivor Graham
ombudsman