

## **complaint**

Mrs L has complained about the service she has received from Creation Financial Services Limited in respect of a loan she took out through it.

## **background**

Mrs L took out a loan with Creation to buy a sofa. Despite her repaying it in full, Creation continued to contact her saying a debt remained outstanding. Mrs L contacted Creation a large number of times, but without resolution. She also sent Creation proof that she had made all of the repayments. Creation ultimately sent her a final response letter, which should have resolved matters, but Mrs L received further correspondence saying a debt was outstanding.

After Mrs L complained to this service, Creation agreed to pay her £250 compensation. However, as the matter had caused Mrs L significant distress and inconvenience, she felt the compensation should be higher. Accordingly, the complaint has been passed to me for my final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

First, I would like to apologise to Mrs L for the amount of time it has taken for her to receive a final decision from this service. We are experiencing an unprecedented number of complaints, and are actively addressing resolving them as quickly as possible. Because of this, Mrs L has had to wait longer than she should have done, for which I apologise.

I turn now to the merits of the complaint. It is clear to me that Mrs L was fastidious in making her repayments, and in fact overpaid on a number of occasions so she could pay off the debt early. After repaying it in full, she received letters telling her there remained an outstanding sum, even though she sent in proof of all of the repayments having been made. She was also told her credit rating would be affected, which was very worrying for her. Despite contacting Creation a very large number of times, it did not correct its error and continued to pursue Mrs L. When she telephoned it, Creation's representative refused to speak to her. It also failed to respond to much of her correspondence.

Mrs L has not only had to engage in a large amount of correspondence, which should have been unnecessary, but has received particularly poor service and suffered sleepless nights and severe stress because of this. For these reasons, I consider £300 total compensation to be appropriate. This includes Mrs L's expenses, such as photocopies, postage and telephone calls.

## **my final decision**

For the reasons given above, it is my final decision to uphold this complaint. I require Creation Financial Services Limited to pay Mrs L a total of £300 compensation. Under the rules of the Financial Ombudsman Service, I am required to ask Mrs L to accept or reject my decision before 19 January 2015.

Elsbeth Wood  
**ombudsman**