

complaint

Mr K complains that Creation Financial Services Limited made mistakes in dealing with his credit card account which has resulted in a fraudulent payment and caused him distress.

background

Mr K reported a problem using his card on 7 April 2017. He was told a replacement would be ordered and to destroy the old one. He contacted Creation on 19 April 2017 as he had not received the new one. In error it had not been ordered. He phoned again the next day as a pending payment was showing on his account that he did not recognise. A chargeback was raised and the money was refunded. Creation paid him £25 for the error.

The investigator did not recommend it do any more. She said that the disputed payment was refunded after Mr K had completed a declaration form. She considered it had told him the correct process. This payment would have gone through even if a new card had been ordered as the number would not have been changed.

Mr K did not agree that he had been sufficiently compensated. He was made to feel like a fraudster. He was told that the original card had been blocked. If it had been then the disputed payment could never have gone through. He thought this service was on the side of Creation.

my findings

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

There was nothing to suggest Mr K's account details had been compromised on 7 April 2017. He called to report his card was not working for a contactless payment. Fraudsters tend to act quickly – so this indicates to me that his details were likely somehow discovered close to 19 April 2017. Creation says even if his card had been replaced the number would have been the same.

I don't know how an unknown third party was able to discover those details but this was not due to any error by Creation. Mr K quickly spotted this and this time his card was blocked. He was asked to complete a declaration - I don't think that meant Creation suspected him of fraud - it was following its normal process.

I know he will be disappointed when I say that I think he has received adequate compensation for the error Creation made.

my final decision

My decision is that I do not uphold this complaint in the sense that Creation Financial Services Limited need take no further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 October 2017.

Michael Crewe
ombudsman