

complaint

Mr C complains that Creation Financial Services Limited failed to warn him when he asked to lower his credit limit that he may not be able to increase it at a later date. He also complains the business didn't explain why it later refused a request to increase the credit limit.

background

Mr C contacted creation to request a reduction in his credit limit from £4,000 to £2,000 because he was splitting up with his partner and wanted to make sure they couldn't spend too much on the card. When he later asked for the credit limit to be increased to £4,000 again, his request was declined. Mr C complained to Creation because he said it should've warned him the original limit might not be reinstated..

Creation rejected the complaint so Mr C came to this service. Our adjudicator looked into the complaint. She didn't think Creation needed to have told Mr C about the risk his credit limit might not be reinstated in the future. But Creation accepted it should've given Mr C more information when it declined his application for a credit increase and offered £30 as compensation for that which the adjudicator thought was fair and reasonable. Mr C disagreed and asked for review by an ombudsman.

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 C's frustration at his situation, but I don't think his complaint should be upheld and I'll explain why.

Creation's explained that it doesn't inform customers requesting a reduction in their credit limit that they might not be able to increase it in the future because this might put people off reducing their credit limit when they need to. In my view, this is a reasonable explanation. I understand that Mr C says he wouldn't have reduced the credit limit if he'd known this was a possibility. But it's impossible to know what would've happened if he hadn't reduced the credit limit. I'm satisfied that Creation acted reasonably in that it responded to his request to reduce the credit limit and then considered his later application to increase it based on the information it had about his circumstances at the time.

I can see that Creation's accepted it should've given Mr C more information when it declined his application to increase his credit limit and it's offered him £30 as compensation for the trouble and inconvenience that's caused. This compensation is for the failure to provide relevant information, not for the failure to approve the request. Mr C says this isn't enough taking account of the fact he paid £15 for a credit report as part of the complaint. But this compensation is not a refund of costs; rather it reflects the trouble this error caused Mr C. In the circumstances given the limited impact this error had on Mr C, I think the offer is fair and reasonable.

my final decision

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 March 2019.

Susie Alegre
ombudsman