

complaint

Mr M complains about the service he's received from Creation Financial Services Limited.

background

Mr M had a credit card with Creation. But he didn't receive the written confirmation after the account closed. When he called Creation it said he still had an available balance. So he's been trying to resolve things by telephone. Mr M wants £50 compensation for the poor service. He only received the confirmation letter a couple of months after the account closed.

Creation said some of its recent post to Mr M had been returned. So that might explain why he didn't receive the first closure confirmation. It had explained to Mr M that it would refund the balance after a payment due at the beginning of October had cleared his account. Creation said the refund was completed on 12 October. Creation felt it'd responded to Mr M's concerns quickly and tried to avoid any inconvenience to him.

Our investigator looked into the matter. He looked at Creation's system notes and was satisfied it'd sent Mr M the closure letter. Although it had the correct address some mail to Mr M was returned to Creation. But he didn't think it was fair to hold Creation responsible for mail not being delivered.

He could see Mr M had made a payment to his account. Once that had cleared the refund was arranged for any remaining credit. He felt Creation had acted properly and refunded the credit within a reasonable time. Creation had issued a £10 payment to Mr M for the calls he'd made. So he felt Creation had dealt with the matter fairly.

Mr M didn't agree. He says Creation's automated system says his account is still open. So he doesn't think Creation has closed his account properly. He's asked for an ombudsman's final decision.

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 see how frustrating this must've been for Mr M. And it came at a difficult time for him. So I've looked carefully at everything Mr M and Creation has said.

Mr M is unhappy he didn't receive the confirmation letter when the account closed. And it took a while to return the remaining credit. Mr M is also concerned that Creation's automated telephone system says his account is still open. And he has £1000 available to spend.

Mr M said he never received the confirmation letter when the account closed at the end of September 2017. I've looked at copies of Creation's records and they show the letter was generated at that time. And Creation had the correct address for Mr M. So I've no reason to suspect the letter wasn't posted to him.

Creation said it had some mail returned from Mr M's address so it seems there was a problem with postal delivery. But I can't really hold Creation responsible for that. And Mr M has now received a second copy of the letter confirming the account closure.

I realise Mr M is concerned the automated system suggests his account is still open. And it says he has available funds to spend. So I've looked into the matter.

Creation has confirmed the account is closed. But customers can reopen their account within a certain time without the need to go through credit checks again. Although Mr M's account is now closed, if he wanted to reopen it his previous £1000 credit limit would still be available. After six months he would have to re-apply and go through the normal credit checks.

I realise this isn't mentioned in the terms and conditions. And it might be confusing or misleading to customers who believe they've closed their accounts. But Creation has confirmed the account is closed. And it's made a business decision to keep a customer's former credit limit available for a limited time should they wish to re-open their account.

It's not our role to look at Creation's business practices. That's the role of its regulator – the Financial Conduct Authority. Our role is to assess what impact any mistakes might have had on its customers.

I appreciate Mr M is concerned the automated system says he still has an available balance. And I hope I've explained why this is the case. Although our service can't tell Creation how to run its business, I'm sure it reviews the outcome of the complaints it receives to see if it can improve things.

But, based on everything I've seen, I can't really say Creation has done anything wrong. It sent the closure confirmation letter to the correct address. And when mail was returned undelivered and Mr M contacted Creation, it sent a further letter which he's now received. And it acted within the terms and conditions when receiving Mr M's payment before refunding the balance.

Creation has credited Mr M with £10 towards the cost of his telephone calls and I think that's a reasonable response. I won't be asking it to do anything more.

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 to accept or reject my decision before 5 March 2018.

Andrew Mason
ombudsman