

complaint

Mr C's complaint is about a problem he's had with the payments on his credit card. He's unhappy that Creation Financial Services Limited put a late payment marker on his credit file. He thinks that it has been added unfairly and would like it removed.

background

Mr C opened a credit card account with Creation in November 2016. As part of the application he provided his bank details. He assumed that this was to allow repayments to be taken each month. He made a balance transfer on application and used the card straight away, so there was a balance to pay on the first statement.

Mr C was contacted by Creation in early January. He was told that as he hadn't made a payment on his first statement a late payment charge would be made and a late payment marker would be put on his credit file.

Mr C told Creation that there had been a misunderstanding about whether a direct debit had been set up as part of the initial application. Creation agreed to refund the late fee but said it wouldn't remove the late marker. Mr C then brought the account up to date and set up a direct debit mandate. But he remained unhappy about the late payment marker and referred his complaint to this service.

One of our investigators looked into the complaint. She didn't think it should be upheld. She appreciated it seemed to be a genuine misunderstanding that led to the payment being missed. But because Creation wasn't at fault, she considered that it was entitled to record that the payment was late.

Mr C didn't agree, saying the adverse information being left on his credit file isn't fair, given his previous history of repaying credit on time. He's unhappy this will have a negative impact on future application for credit – such as a mortgage.

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 why Mr C was upset to discover that a late payment had resulted in adverse information being listed on his credit file. And it does seem to have been a genuine mistake that led him to believe a direct debit had been set up, when it hadn't. But I'm afraid that Creation is expected to record adverse information about how an account is managed. This means it has acted in line with it's expected to do.

I think it was a positive thing for Creation to remove the late fee it initially applied and seems to show it appreciated the situation Mr C was in. But as the information which Creation listed is accurate, I don't think it needs to arrange for it to be removed.

I've noted Mr C's comments about the direct debit mandate he did set up in early January 2017. And I can see that despite being set up towards the beginning of the month it wasn't in place to collect his repayment that month, so he had to make a manual payment. While I can see how this must've been frustrating for him, I don't think Creation have done anything wrong here either. It has supplied a copy of a letter it issues to customers when a direct debit

mandate is set up. This explains that it may take 28 days for it to be fully in place and advises customers to make alternative repayments until that time. This seems like a reasonable thing to do - and I can see that the following month a payment was collected automatically through the direct debit.

I realise this will be very disappointing for Mr C. He is able to ask the credit file agencies for a statement to be included on his credit file, giving an explanation of how the adverse information came to be recorded. This may be taken into account by lenders considering future applications he may make.

In summary I don't think Creation is required to remove the information from Mr C's credit file and I don't uphold this complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 July 2017.

Daniel Little
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