

complaint

Mr F complains that Creation Financial Services Limited ('Creation') cancelled a direct debit without his permission – which led to a late payment on the fixed sum loan he held with it.

our initial conclusions

Our adjudicator ultimately recommended this complaint be upheld. He was satisfied that Creation had set up two direct debits, one which Mr F legitimately asked to cancel and one that it had cancelled in error. He recommended Creation pay Mr F £75 for his distress and inconvenience and remove any adverse credit information which may have been recorded as a result of this error. Creation disagrees – in summary it says that Mr F's bank cancelled the direct debit.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr F and Creation have provided. I am satisfied that Creation had set up two duplicate monthly direct debits on Mr F's account and that Mr F asked his bank to cancel one of these ('DD1') as it was inactive and appeared to be serving no purpose. The second direct debit ('DD2') was servicing the loan, and from Mr F's credible submissions it is clear to me that he would have wanted this to continue.

I find it likely that Creation accidentally cancelled both direct debits when the request came through to cancel DD1. I say this not only because I find it unlikely that Mr F would have asked his bank to cancel DD2, but because credible system notes from Mr F's bank state that DD2 was cancelled by Creation. Also, I find it significant that Creation initially failed to acknowledge that two direct debits had been cancelled. I consider that its initial response to Mr F's complaint focuses only on DD1 – which Mr F does not dispute cancelling. Overall, I do not find Creation's response to this issue to be credible or compelling. From the information available to me I also consider that this problem has stemmed from Creation setting up duplicate direct debits by mistake at the outset.

Overall, I am satisfied Creation has acted in error. Mr F did not incur late payment charges as a result of this error, but I find that he should receive compensation for his inconvenience. And Creation should remove any associated adverse credit information it may have recorded.

My final decision is that Creation Financial Services Limited should pay Mr F £75 for his inconvenience and remove any adverse information recorded on his credit file as a result of its error.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F either to accept or reject my decision before 16 June 2014.

Mark Lancod

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

Where information is unclear or matters are in dispute I make my findings on the balance of probabilities – which is to say, what I find most likely to be the case based on the evidence available and the wider surrounding circumstances.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.