

complaint

Mrs B complains that Creation Financial Services Limited (Creation) declined a credit card application without giving reason.

background

Mrs B applied for a credit card with Creation over the phone. She gave all her details accurately but her application was declined.

She tried to apply again later, this time through an online application and was accepted immediately.

Mrs B contacted Creation as she was concerned as to why she'd been declined. She was also worried about a black mark being left against her credit file.

Creation weren't able to give Mrs B a clear reason for the decline and so she brought her complaint to us. She was particularly unhappy as she'd felt unable to buy a car she wanted and it was frustrating to have had no substantial answer from Creation.

One of our investigators looked at the case and felt it should be upheld. Creation still wasn't able to provide any clarity and so £100 compensation was recommended. Mrs B accepted this as long as it came with an apology. But Creation initially didn't agree with the recommendation.

The investigator did a bit more digging and found that the person Mrs B had spoken to during her phone application had input her address incorrectly and that had caused the problem. Creation agreed to the £100 compensation as a result.

The case has been referred to me because there was a delay in getting Mrs B the agreed compensation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I find the £100 already offered to Mrs B – along with the apology – to be a fair and reasonable settlement.

There isn't any dispute over what went wrong in terms of the application and so I make no findings there. Creation has acknowledged that it input Mrs B's address incorrectly. And it should have been able to identify that sooner, which is why the £100 was recommended by the investigator and agreed to by Creation.

The only thing that appears to have caused this case to come to me for a decision is the delay in Mrs B receiving the settlement. I'm aware it had already taken a long time to reach the point where the offer was made. But I think the £100 is a suitable settlement there and I don't find the time it took for Mrs B to then receive the cheque warrants further compensation. I'm satisfied Creation acted in good time once all parties had agreed to the offer.

Mrs B accepted Creation's offer on 6 December 2017 and we notified them of that on the same day. I've seen evidence to satisfy me – in the form of the apology letter and postal

tracking records – that Creation wrote to Mrs B with the cheque on 21 December 2017. I can also see that delivery of the cheque was attempted on 28 December 2017. Both dates are within the 28 days we would normally expect a business to pay compensation.

I'm aware Mrs B was out of the country when the delivery attempt was made and that she remained so for a while after. That meant the cheque was returned to sender as it went unclaimed at the post office. Whilst this is unfortunate and no doubt delayed Mrs B receiving the compensation I can't hold Creation at fault for it.

I can see that once the cheque was fully returned to Creation it was then reissued in good time.

my final decision

I make no award beyond the £100 already offered and sent by Creation Financial Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 March 2018.

Ben Murray
ombudsman