

## **complaint**

Mr J's complaint concerns the service provided by Creation Financial Services Limited ("Creation") after he reported his credit card as lost.

## **background**

Mr J twice reported his Creation credit card as lost in August and September 2016. As a result, the cards were stopped, and new accounts created, with the outstanding balances transferred over.

As the cards had been used around the time they were lost, it wasn't immediately clear whether there were transactions which were disputed. Creation looked into the matter, and concluded that as the payments were all chip and PIN, and made in retailers where Mr J himself legitimately used his card, it was likely they were payments he himself had made before losing the cards.

Unfortunately, it took until March 2017 for Creation to add these payments to Mr J's due balance, and to let him know about them.

Interest was added to the debt, but following Mr J's complaint querying the transactions, and Creation's investigation where it concluded they were genuine, it was agreed that it would be removed if the balance was cleared in two weeks following the final response letter. As Mr J cleared the £750 balance within this time, interest of £160.18 and a £12 late payment charge were both waived.

While Mr J paid the balance, he remained unhappy with how Creation had treated him. He felt that because of its unreasonable delay in reconciling his account after the cards were reported as lost, he suffered detriment in being given such a short time to settle his affairs. He believed he was due compensation for what had happened.

He also showed that despite paying off the balance, and closing the account, Creation continued to send his incorrect and contradictory information, and in August 2017 it sent him a statement from December 2016 showing he had a balance of £1586.18. Mr J checked his account online, which confirmed his balance was nil.

As matters couldn't be agreed, the complaint came to our service. Our adjudicator looked at the evidence, and sought further information from both parties. He then concluded that Creation hadn't dealt with Mr J as well as it should have, and he recommended it pay him £100 compensation.

But Creation didn't believe compensation was payable, and Mr J said he wouldn't accept £100 in any event. He said he didn't think this fairly reflected his time in bringing his complaint this far. He said he'd accept £250.

Both parties agreed to an ombudsman's review.

## **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 think our adjudicator made a decision that was fair to both parties. In cases like this, where there's no financial loss, it can be difficult to gauge the impact that mistakes, or poor service, can have on a customer. And I'm conscious that my decision is one that needs to be fair to both parties. I say this because when considering compensation I don't take into account the financial resources of either party. That wouldn't be fair. I look into what happened, and what the impact of that was on the consumer.

In this case, I can see that Creation took far longer than seems necessary to reconcile Mr J's account balance, and seek payment from him. However, when it did I think the sum it asked for was fair; that it wasn't unreasonable for it to decide to hold him liable for the disputed transactions; and that it made a fair gesture of agreeing to waive two interest charges, and a late payment charge on the account in return for repayment of the remaining balance.

As our adjudicator correctly pointed out, the balance on Mr J's account always required to be paid in any event, and interest on that sum couldn't be avoided forever. So I think the gesture it made to Mr J at the time was a fair one, and was made in good faith.

So I'm not going to ask it to pay compensation for that decision.

But I do think it should pay compensation for how long it took to get to that stage, and for the general manner in which it seems to have dealt with Mr J. I think he was entitled to expect a smoother and more efficient service from Creation.

To that extent, I think the £100 suggested by our adjudicator is fair. I know Mr J doesn't think this reflects the time and effort it's taken to bring his complaint to this stage, and I'm sure he genuinely feels that. But I think the real impact on Mr J has been fairly modest, and I don't think Creation ever tried to be difficult or deliberately obstructive to him. So I don't think asking it to pay £250 would be fair, whether or not it can afford to.

So to resolve this complaint, I'm going to ask Creation to pay Mr J £100 compensation.

### **my final decision**

My final decision is that to resolve this complaint, Creation Financial Services Limited should pay Mr J £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 22 December 2017.

Ashley L B More  
**ombudsman**