

complaint

Mrs S complains that Creation Financial Services Limited took too long to refund money remaining in her closed account.

background

Mrs S had a credit card account with Creation. In May 2011, Mrs S cleared the balance of her account and closed the account, leaving a credit balance of £170.42.

Creation agreed to refund Mrs S the balance on her account but didn't do so. So she brought her complaint to this service. An investigator looked into Mrs S's complaint and said Creation should refund her the outstanding balance.

The investigator also said Creation should pay Mrs S 8% simple interest on the balance which amounted to £123.52 and £100 compensation for the delay. Creation agreed and asked the investigator to provide Mrs S's bank details so that it could make the payment to her. The investigator provided the information to Creation and it paid Mrs S £170.42 in March 2018. However, it failed to pay the 8% interest and compensation.

One of our investigators contacted Creation on several occasions to try and arrange for the outstanding payment to be made to Mrs S. He also said that Creation should pay Mrs S an additional £150 to reflect the further delays in trying to sort things out. Creation didn't respond. So the matter has been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Creation has accepted it made a mistake when it failed to repay Mrs S's closing balance. And it accepted what the investigator said – that Creation should've refunded Mrs S's money sooner than it did. Creation also has agreed to pay Mrs S 8% interest and compensation for the trouble and upset caused by the delay.

Having looked at what's happened here I'm satisfied that Creation should have provided Mrs S with better service. I can see that Mrs S has made numerous phone calls and written letters to try and sort things out with Creation. And I've also kept in mind that it has taken quite some time to sort things out. So I'm satisfied Mrs S has been caused some worry and inconvenience.

Overall, having reviewed all the information relating to this case, I think that £250 is an appropriate figure to compensate Mrs S for the trouble and upset resulting from Creation's failings in this case. If it hasn't already done so, Creation should also pay Mrs S interest at 8% per year simple on the balance of her account, £170.42, from May 2011 until the date of settlement. The reasoning behind this is that Mrs S should've had access to the money. And if she'd had the money returned she would've made use of that money sooner.

my final decision

My final decision is that I uphold this complaint.

Creation Financial Services Limited should pay Mrs S a total of £250 to compensate her for the trouble and upset caused by Creation taking too long to return money to her.

Creation Financial Services Limited should also pay Mrs S 8% simple interest from May 2011 until the date of settlement. †

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision by 12 August 2019.

†HM Revenue & Customs requires Creation to take off tax from this interest. Creation must give Mrs S a certificate showing how much tax it's taken off if she asks for one.

Ankita Patel
ombudsman