



### **complaint**

Mrs D complains that a relatively small credit card debt owed to Creation Financial Services Limited (Creation) has grown hugely. Despite having repaid much more than the original debt over many years, she still owes a large sum.

### **background**

It is not in dispute that Mrs D did not make the due repayments under the card agreement. The debt has grown because Creation added interest and charges, as the agreement permitted it to do.

But our adjudicator thought Creation should have 'defaulted' the account some years ago and if it had done so, the debt would by now be repaid. So she recommended Creation should write off the rest of the debt and pay Mrs D £200 for distress and inconvenience.

Creation did not agree. It pointed out that there had not been a period of six consecutive months when Mrs D had not made any payments. It had been contractually entitled to increase the debt. And it had offered to reduce the debt considerably.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As the adjudicator has pointed out to Creation, it is not the ombudsman service's usual practice to interfere with the legitimate exercise of financial firms' commercial judgement. But this is an exceptional case. Even if strictly speaking there has not been a six-month period of non-payment, the situation has been continuing for so long, and my finding is that in fairness default should effectively have been declared some time ago. If so, the debt would by now be fully repaid.

### **my final decision**

Creation Financial Services Limited should write off the remainder of the debt and pay Mrs D £200.

Roger Yeomans  
**ombudsman**