

## **complaint**

Mr B complains about the interest rate applied to his credit card with Creation Financial Services Limited.

## **background**

In December 2017 Mr B transferred a balance of £900 to a Creation credit card. The account had a promotional interest rate of 0% and was subject to a credit limit.

In June 2018 Mr B made a purchase on the card which incurred interest that took him over the credit limit. Because Mr B had exceeded the credit limit, Creation removed the promotional rate. Mr B says he now has to pay a much higher minimum payment each month. He wants Creation to reinstate the promotional interest rate.

Creation said that Mr B was told at the time when he completed the balance transfer that if he missed a payment or went over his credit limit, the promotional rate of 0% would default to the card's standard rate for purchases.

Mr B wasn't happy with the response he received from Creation so he complained to this service.

Our investigator didn't uphold the complaint. He said that Creation had acted in line with the terms and conditions of the account in applying the standard rate of interest when Mr B exceeded his credit limit and that it was up to the business to decide whether or not it would reinstate the promotional rate.

Mr B didn't agree. He said that it was the interest on his purchase which had taken him over the credit limit and not the purchase itself. He said that he had used the card in an emergency to purchase fuel and he hadn't realised that interest would be charged. Mr B said it wasn't fair to remove the promotional rate of interest when he had only exceeded the credit limit by 31 pence.

## **my findings**

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

I've looked at the terms and conditions of Mr B's account. These say that Creation can remove a promotional rate of interest if the terms and conditions are breached. I'm satisfied that when Mr B exceeded the credit limit this amounted to a breach of the terms and conditions.

I appreciate that Mr B only exceeded the credit limit by a small amount. But this is still a breach and Creation are entitled to remove the promotional rate in line with the terms and conditions. Because of this I'm unable to say that Creation has done anything wrong.

I'm unable to require Creation to reinstate the promotional rate. I understand that Creation has reversed 3 over limit charges totalling £36 as a goodwill gesture. The business wasn't obliged to do this and I think this is a fair and reasonable response to Mr B's complaint.

Mr B has said that he wasn't told that he would lose the promotional rate if he went over the credit limit. I've reviewed the contact notes provided by Creation. These show that when Mr B completed the balance transfer he was told that if he missed a payment, was late with a payment or exceeded the credit limit, the promotional balance transfer rate of 0% would default to the standard rate.

Taking all of the available information into account, and whilst I appreciate that Mr B only exceeded the credit limit by a small amount, I'm satisfied that Mr B was made aware that he would lose the promotional rate if he exceeded the credit limit. The business has removed the promotional rate in line with the terms and conditions of the account. I'm unable to require Creation to reinstate the promotional rate.

**my final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 December 2018.

Emma Davy  
**ombudsman**