

complaint

Mr G complains that, when completing some lottery transactions, he was charged a handling fee by Creation Financial Services Limited ("Creation"). He says he should have been warned the charge would be applicable.

background

In March 2018 Mr G made two payments to a lottery site for 98p and £10 using a credit card provided by Creation. He was charged a £5 handling fee on each of these transactions. Mr G says that Creation didn't warn him of this charge when the transactions were being made. He says that, whilst he's sure it's in the terms and conditions somewhere, it's unreasonable of them to expect him to refer to these as they were established such a long time ago and he couldn't be expected to remember the small print.

Creation explained that Mr G's terms and conditions stated that any "*cash advance*" was subject to a handling fee. And they explained that this included cash related transactions such as betting and lottery payments. So they didn't feel they'd done anything wrong.

But Mr G wasn't happy with their response and he referred his complaint to this service. Our investigator provided her view earlier in the year. She didn't uphold Mr G's complaint because she thought Creation had acted within the scope of the agreed terms and conditions.

But Mr G was dissatisfied. He stressed it was unfair to expect him to remember the details in terms and conditions that were agreed five years ago and he said the terms weren't clear anyway. He said the company should have made use of modern technology to remind him of the terms before he made the transaction. He asked for a final decision by an ombudsman.

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 know it will disappoint Mr G but I agree with the investigator's view and for similar reasons.

I can understand Mr G's concerns. The handling fees he was charged were almost as much as the transactions he made. But I'm required to consider whether Creation have been fair in the way they've applied these charges.

The terms and conditions explain that fees will be charged on "*cash advances*" and they explain that these advances explicitly include lottery transactions. Elsewhere in the T&C's it's explained that:

"your cash handling fee is 5% (minimum fee £5)"

So I think the potential handling charges were made clear in the contract and have been fairly applied.

Mr G says that the business should have reminded him about his contractual obligations but I don't think it would be fair of me to suggest they should. It's an operational decision for them to make.

For that reason I don't think Creation need to take any further action.

my final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 December 2018.

Phil McMahon
ombudsman