

complaint

Mr H complains that Creation Financial Services Limited didn't communicate with him clearly when he was trying to pay the full balance from his statement.

background

Mr H says he was trying to pay the full outstanding balance from his February 2018 statement so he didn't incur interest on his following statement.

Mr H sent a number of emails to Creation – a summary of these are below:

- On 27 February Mr H emailed Creation saying he'd made a payment to clear the February statement balance.
- Creation replied on 1 March 2018 saying that the full statement balance was £432.71. Creation said it had received Mr H's payment of £168.12 and this would go towards the payment for the February statement. The email also said that in order to not incur interest, Mr H would need to clear the full statement balance by the payment due date, 14 March 2018.
- On 2 March, Mr H told Creation that he'd made a payment prior to the £168.12. He asked for confirmation the February statement balance had been settled in full.
- On 7 March, Creation responded confirming it had received payments of £168.12 and £125.50. It said Mr H would need to clear the full statement balance of £432.71 by 14 March in order to not incur interest charges.

Mr H didn't make any additional payments to the account before 14 March 2018 and because of this Mr H incurred interest on his next statement. He made a complaint to Creation about this and the way it had communicated with him – Mr H says he found the way Creation communicated with him confusing. Creation said it hadn't done anything wrong in applying the interest to his account – and it thought it had communicated clearly with Mr H.

Our adjudicator also thought that Creation had acted fairly. Mr H didn't agree, so the complaint has been passed to me to make a final decision on the matter.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so I've decided not to uphold this complaint – and I'll explain why below.

I've seen a copy of the February 2018 statement that confirms the "New balance" on Mr H's account was £432.71 and the payment due date was 14 March 2018.

I've seen a copy of the terms and conditions of Mr H's account. This says that "*we will not charge Interest on Standard Purchases shown on your Statement if you pay off the whole balance shown on the Statement and on the previous Statement, by the payment due date shown on your Statement.*" So I think Creation has acted in line with its terms and conditions when it applied interest to Mr H's account after it didn't receive the full statement balance by the payment due date.

Mr H's main point is that he didn't think the communication he had with Creation was clear. I've seen copies of the email correspondence Mr H had with creation about paying the balance in full.

I've looked carefully at the email exchange between Mr H and Creation. I can see Creation did answer Mr H's questions, and the information it gave him was correct. So I can't fairly say Creation has done anything wrong here. And bearing in mind Creation had provided the total amount needing to be paid to avoid interest and the amount already paid, all Mr H had to do was a relatively straightforward calculation to work out what was left to pay. If Mr H still wasn't clear on this point he could have asked Creation how much was left to pay to clear the balance by the statement due date. But Mr H chose to pay nothing more before the due date knowing he'd not paid the full amount. So I think interest was correctly applied to the outstanding statement balance. So I'm not going to ask Creation to do anything more for Mr H.

my final decision

For the reasons set out above, I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 July 2019.

Sophie Wilkinson
ombudsman