

complaint

Mr P complains that he was charged a 3% transfer fee when he opened an account with Creation Financial Services Limited (Creation). He argues that he was not aware that a fee would be charged and that the written terms on the promotional literature are not clear. He wants Creation to refund him the £27.51 transfer fee.

background

Mr P opened his Creation Credit Card account at the beginning of July 2017 and completed a balance transfer. He was charged a fee for this of £27.51 which is 3% of the balance transfer amount. This fee was shown on his July statement as a "handling fee".

Mr P is unhappy about this and says the marketing literature for the account states that there is "*0% on balance transfers*" so he thought there would be no charges applied.

He complained to Creation about this but they told him that the terms and conditions of the account clearly state that a transfer fee applies (of either 3% or £3 – whichever is the greater) and that this was applied correctly in Mr P's case. Creation also says the terms are shown on their website and were stated in the documentation he received with his card. On this basis Creation is not prepared to issue a refund of the transfer fee to Mr P.

Our investigator looked in to all of the circumstances of the case and decided that there wasn't anything wrong with the information provided by Creation and that they had correctly charged a 3% transfer fee in line with their terms and conditions. So she didn't ask Creation to do anything further.

Mr P wasn't happy with this outcome as he thinks the information about the charge was misleading and doesn't think he should have to pay it. So he's asked an ombudsman to review the decision.

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 carefully at the Creation credit card marketing literature and the terms and conditions of the account. There is a clear statement on the first of the two page marketing leaflet which states "*0% on Balance Transfers*" But there is an marker next to this statement referring to a further sentence overleaf which says "*A Transfer fee of 3% or £3 (whichever is greater) applies for each Balance Transferred*".

I can understand why Mr P might have thought he wouldn't be charged a fee on the basis on the first statement only. But I think the link to the further information section on the next page is clearly marked. And the transfer fee is clearly laid out in this section. So I don't think the literature was misleading.

I've also looked at the details and terms and conditions of the account which are published on Creation's website. I can see that section 16.2 clearly states the same terms about the transfer fee. So I'm satisfied that these terms and conditions were available to Mr P before he applied for the account and when he received his credit card. And I think it was reasonable to expect him to have read and understood the terms when accepting them.

Mr P argues that Creation hasn't followed the guidance on the Financial Conduct Authority's (FCA) website which talks about fairness and clarity in financial promotions and adverts. But from what I've seen I can't say that there is anything wrong with the information provided by Creation. I think the terms were clearly specified and I can see that the fee charged was correctly applied in line with these terms.

So I agree with our investigator that Creation hasn't acted unfairly in applying this fee and I've no reason to ask them to refund it. I appreciate that Mr P is likely to be dissatisfied with my decision but I hope I've explained my reasons.

my final decision

For the reasons explained above I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 January 2018.

Alison Lyon
ombudsman