

complaint

Mr L complains that Creation Financial Services Limited (Creation) charged him a credit card fee of £99 when he'd been given no notice of it when applying for the card. He also complains that it sent him letters with the wrong customer name. He wants the fee refunded.

background

In November 2017 Mr L applied online for a credit card, having receiving an email invitation to do so. In late December the first statement for the account was sent. It showed he'd been charged a £99 account fee.

In early January 2018 Mr L phoned Creation to complain about the £99 fee. He thought the card had been mis-sold to him as he wasn't provided with clear and fair information about the fee.

Creation didn't agree. It said that the online information clearly states there is an annual fee of £99 in the representative example, as do the offer terms and conditions. He was given the opportunity to review the full terms and conditions, which also mentioned the fee.

Mr L then wrote to Creation, saying that he didn't see any mention of the fee during the application process. He'd intended to apply for the standard card which didn't have a fee. He also said that he'd received two letters with an incorrect customer name. Creation apologised for using the wrong name, but said its decision remained unchanged.

Mr L complained to us. Our adjudicator thought that Mr L reasonably would've been aware the account attracted a fee. This was because it was included in the terms and conditions and those needed to be read and agreed to before the application could proceed. And he also thought that whilst receiving letters with an incorrect name was annoying, the business had apologised. He didn't reasonably think he could award compensation for this error.

Mr L thought our adjudicator had misunderstood his complaint. He said he'd applied for a Rewards Club Credit Card not the Rewards Club Premium Credit Card. He said he wasn't aware there was a premium card until he received the statement and called Creation to ask about the fee. Our adjudicator responded, saying that Creation had confirmed he selected the option for the premium card. He also said Mr L could have cancelled the card and avoided the fee within 14 days of the application, but it was too late when he contacted it in early January. Mr L continued to disagree. He said he wasn't sure how or if he'd applied for the premium card. He also said that it's hard to find the fee in the terms and conditions. Our adjudicator didn't change his opinion so Mr L asked for a decision from an ombudsman. He said he'd contacted Creation immediately he received the statement when he was first aware of the fee.

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 can see Mr L feels very strongly that the £99 fee should be refunded as he wasn't made aware of it when he applied for the card. And he's not convinced he did apply for the premium credit card. But I'm afraid I'll have to disappoint him, as I agree with our adjudicator, for much the same reasons.

Mr L says he's not sure he even applied for the premium card; he thought he'd applied for what I'll call the standard credit card. And he says he contacted Creation immediately he received the statement – that was when he was first aware of the fee. I've no reason to doubt that Mr L sincerely believes this. But having looked very carefully at the information provided to me, I think that it's more likely than not that he did apply for the premium card. I agree with Mr L that the email he received inviting him to apply for a card referred to the standard card. But. Mr L also gave us a copy of his welcome letter – it says at the top 'Welcome to your....Premium Credit Card'. I think this shows it's more likely than not he applied for the premium card.

As our adjudicator said, Mr L had to say he'd read and agreed to the terms and conditions before his application could proceed. Mr L is right when he says the fee isn't prominent in the terms and conditions, but it is there. And I agree with Creation that the representative example and the offer terms and conditions shown on the website also refer to the £99 fee. So I don't think I can fairly say that Creation mis-sold the card to Mr L.

I could be wrong in my conclusion that Mr L did apply for the premium account. But even if I am wrong, the letter Mr L received when he opened the account also enclosed the terms and conditions. And those contained the fee. So this was another way in which the fee was brought to Mr L's attention. Although the letter wasn't dated, I think it's more likely than not it was within the 14 day cooling off period during which Mr L could've cancelled the card and not paid the fee.

I also agree with our adjudicator that it wouldn't be appropriate to award compensation for Mr L being sent letters with an incorrect customer name. Creation apologised for this. I agree it was annoying, but in order for me to be able to give Mr L compensation, any distress or inconvenience suffered by him has to be material (more than insignificant) and I've nothing to suggest that it was. So although it will disappoint Mr L, I'm not going to ask Creation to do anything further in response to his complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 October 2018.

Helen Wheatley
ombudsman