

## **complaint**

Mr A complains Creation Financial Services Limited was irresponsible in providing him with two credit cards.

## **background**

Mr A has two credit cards administered by Creation. He says he is in financial difficulties and that Creation has been irresponsible in providing him with the level of credit available on these cards. Mr A also has a loan with Creation which is being dealt with separately and he says the combined debt provided to him is excessive.

Creation says that it provided Mr A with a credit card in May 2007. The limit on this card was originally £1,500. It says that this card was provided after it carried out checks on Mr A and that Mr A met its lending criteria. Since 2007, the limit on this card has been increased a number of times, most recently in September 2010 to £10,490. Creation says that it reviews its credit limits regularly and that the increases to Mr A's limit were made because of his payment history and the management of his account. Mr A applied for another credit card in October 2011. Based on the same criteria it had previously used, Creation says it accepted Mr A's application and the card was provided with a £2,000 limit. This limit was reduced to £1,900 in September 2013. Mr A made the required monthly payments on both of his cards until 2013.

The adjudicator did not uphold this complaint. He found that Mr A had been able to meet the minimum monthly repayments on his credit cards for many months after they were provided, and he didn't consider Creation had been irresponsible in its decisions to lend.

Mr A did not agree. He says he has had to borrow to make the repayments on his debt. He also says that his total debt with Creation accounts for half his total household debt which shows that it has provided him with excessive credit. He has also said, since the adjudicator wrote to him, that he sent Creation his income and expenditure statement but after almost two months he has not had a response.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

In deciding whether Creation lent irresponsibly to Mr A, I have considered whether, at the time the credit cards were provided and the limit on one card increased, this lending was affordable. The evidence shows that Mr A was able to make the required monthly payments on his credit cards until mid-2013. This was six years after the first credit card was provided and almost two years after the final increase in the limit on this card. Mr A missed his first payment on his second credit card in April 2013, a year and a half after this card was provided. Mr A has said that he needed to borrow to meet his repayments but I have not seen anything to demonstrate this.

Mr A did not tell Creation that he had any problems with the affordability of these cards until mid 2013. Creation has explained the checks it carried out on Mr A before providing him with his credit limits and, based on that, as well as his repayment history, I do not find that it has done anything wrong in providing these levels of credit to Mr A.

Mr A says that the amount of debt Creation has provided him is excessive. This decision is only considering Mr A's credit cards and a separate decision will address Mr A's complaint about his loan. I accept that Creation accounts for a large part of Mr A's household debt but this does not mean that it has lent irresponsibly.

Mr A told Creation about his financial difficulties in 2013. Lenders are expected to treat customers in financial difficulty positively and sympathetically. Creation's final response letter sent in October 2013 set up repayment plans on Mr A's two credit cards. Mr A has said these are unaffordable. Creation has said that if Mr A is not able to make the monthly repayment suggested then he should provide it with an income and expenditure statement and the repayment plans can be reviewed. I understand that Mr A has provided this but that Creation has not responded to him. I understand his frustration as I accept that Mr A wants to find a solution to repay his debt. I would expect Creation to respond to him about his income and expenditure information and if this does not happen, Mr A could raise a separate complaint.

### **my final decision**

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

Jane Archer  
**ombudsman**