

complaint

Mrs R complains that Creation Financial Services Limited, trading as Creation, didn't send her a refund for the credit of £11.73 on her account, despite her written requests for it to do so. It also wrote to her about a PPI complaint which she didn't have with it. She wants compensation for her inconvenience and a refund of £11.73.

background

Mrs R wrote to Creation to ask for her credit card account with it to be closed in January 2014 due to problems with fraudulent transactions made by a third party. In her letter she asked for any cash back earned on her account for the month of January 2014 to be sent to her, but she didn't receive any money back. She calculated she was due around £11. Mrs R wrote again to Creation in October 2014 and said that she was still waiting for the cash back to be paid to her, but no money was received.

In February 2015, Creation sent Mrs R an account statement which showed her account was in credit by £11.73 due to "anniversary cashback" of £11.73 being credited to her account. Creation said that it didn't have a system in place to show that an account was in credit, so it said that it was Mrs R's responsibility to contact it to arrange a refund. Mrs R wrote to Creation again in mid-August 2015 to ask for a refund, but the letter was filed in error as a PPI complaint, so no refund was made. Mrs R wrote to it again in late September 2015, but this was also filed as a PPI complaint. Creation didn't respond to Mrs R's concerns until it was contacted by this service. It then offered to refund the cash back of £11.73 and pay her £35 compensation. It said that the compensation was composed of £30 for the three months delay in dealing with the matter since Mrs R's August 2015 letter chasing for a refund, and £5 for postage.

our adjudicator's view

The adjudicator concluded that Creation hadn't acted fairly. She noted that Creation was willing to refund the credit of £11.73, and that it had requested a cheque to be sent to Mrs R for this amount. She also noted that Creation was willing to pay Mrs R £35 in compensation, to be paid directly into Mrs R's bank account. The adjudicator noted that Creation's delay did cause Mrs R some inconvenience in having to chase the refund. But she explained that once Creation had become aware of its error, it acted quickly to send Mrs R the cheque and offered compensation of £35 which she felt was reasonable.

Mrs R disagreed and responded to say, in summary, that she had first requested a refund around 19 months ago, and that £35 compensation was not sufficient. She is seeking £150 compensation for the time spent on the matter and her inconvenience.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs R and to Creation on 10 December 2015. I summarise my findings:

I noted that Mrs R had explained to this service that she had spent a lot of time chasing Creation for payment of her cash back. She had written at least four letters to Creation to request the cash back, and when it failed to respond she was obliged to bring her complaint

to this service. This had involved her spending further time on the matter to prove that the cash back had been earned in 2014 and that she had requested payment of this in 2014, as Creation hadn't provided this service with copies of the letters she had written in 2014.

Creation had explained to this service that any cash back earned on Mrs R's credit card in 2014 would have been paid into her account on the anniversary date which was in January 2015. It was unfortunate that Creation hadn't explained this to Mrs R when she wrote to it to close her account in late January 2014. In that letter she had also asked for any cash back earned for that month to be paid to her. Creation had closed Mrs R's account in mid-February 2014. As Mrs R hadn't heard from Creation about her cash back, she had again written to it in October 2014 to ask for her cash back to be paid to her. I hadn't seen a copy of the October 2014 letter, but I could see that Creation's contact notes referred to it in its entry dated 5 November 2014. The entry had said that the account was closed but Mrs R was awaiting cash back to include interest and postage.

I couldn't see that Creation had provided a response to either the January 2014 letter or the October 2014 letter. I thought that it would have been reasonable for it to have responded by informing Mrs R that the cash back would be paid in January 2015 to save her the inconvenience of having to chase the matter. I also thought that it would have been appropriate for Creation to have arranged to send Mrs R the cash back in January 2015 when it was paid into her account, without her having to send it another reminder. As it hadn't done this, I thought that it should pay Mrs R £10 compensation for her time and trouble for every month since January 2015 that she had been waiting for her cash back payment. As Creation had said that it had sent Mrs R her cash back in November 2015 (although it wasn't clear that this had been received), I thought it should pay her £110. This was in line with the way Creation had assessed its previous compensation offer of £30 - £10 for every month since Mrs R had requested payment of the cash back in August 2015. I also said that Creation should also pay Mrs R her £5 postage on top of this.

complaint handling

I could see that Creation hadn't acknowledged Mrs R's complaint or responded to it within the required timescales. Instead it had filed her complaint incorrectly in its PPI complaint files. And because it hadn't investigated her complaint within the timescales, Mrs R was obliged to bring her complaint to this service. I thought that Mrs R's complaint could have been handled better by Creation and that it should pay Mrs R an additional £50 compensation due to the inconvenience caused due to the quality of its complaint handling.

Subject to any further representations by Mrs R or Creation my provisional decision was that I was minded to uphold this complaint. In full and final settlement of it, I intended to order Creation Financial Services Limited, trading as Creation, to:-

1. Pay Mrs R compensation of £160 and £5 for postage, making a total of £165; and
2. Pay Mrs R £11.73 if Mrs R hadn't yet received the cash back refund of £11.73.

Mrs R responded to say that she was happy with the provisional decision. But she also wanted a refund of the £10 she had paid to Creation for a data subject access request she had sent to it in November 2015 to obtain the evidence she believed she was missing from her investigation.

Creation disagreed and said that its systems had been searched and no evidence had been found of any contact from Mrs R prior to August 2015. As no evidence could be found, it only

agreed to pay compensation from August 2015. It provided account notes to show this. It said that it had sent Mrs R a cheque for the cash back at the end of October 2015.

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 have looked at the account notes sent to us by Creation. And I note that these refer to the contact note dated 5 November 2014 which I have referred to above. The contact note refers to Mrs R's letter dated 24 October 2014 in which she confirmed her account was now closed. But she also said in the letter that she was still awaiting cash back to include interest and postage. The letter was forwarded to Customer Care. So, I am satisfied that the additional evidence Creation has just sent us shows that there was contact from Mrs R prior to August 2015, and it supports my provisional decision.

The adjudicator also asked Creation if it would agree to refund Mrs R the £10 she paid for a data subject access request and it agreed to do so. So, I have amended my decision to include this amount. I note that the total amount to be paid to Mrs R is £175 in addition to the cash back refund if not yet received by Mrs R.

my final decision

My decision is that I uphold this complaint. In full and final settlement of it, I order Creation Financial Services Limited, trading as Creation, to:-

1. Pay Mrs R compensation of £160;
2. Pay Mrs R £10 as a refund of the fee she had paid for a data subject access request;
3. Pay Mrs R £5 for postage; and
4. Pay Mrs R £11.73 if Mrs R has not yet received the cash back refund of £11.73.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 15 February 2016.

Roslyn Rawson
ombudsman