

## **complaint**

Ms H complains that Creation Financial Services Limited made mistakes administering her loan. She would like Creation to do more than it's done so far to put things right.

## **background**

Ms H took out a loan with Creation. After Creation made a mistake with her direct debit payment, Ms H had to make up some missed payments through an additional direct debit. Once Ms H had brought the payments up to date, Creation cancelled both direct debits. This had the effect of putting Ms H's account in arrears.

Before this service became involved Creation apologised for the mistake. It explained that it had removed the arrears of just under £147. Creation paid £100 compensation and agreed to amend Ms H's credit file.

The investigator didn't recommend that Ms H's complaint be upheld. He thought that Creation had taken steps to put Ms H back in the position she would've been had the mistake not happened. The investigator didn't think it was fair to ask Creation to clear the outstanding balance on the loan.

Ms H didn't accept the investigator's recommendation. She thought that Creation had taken too long to resolve her complaint. Ms H said that Creation continued to chase her for payment by text and phone. Ms H explained that she has autism and the whole experience has deeply affected her.

When Ms H contacted Creation to discuss setting her direct debit back up, it gave her conflicting information about whether she had to make a payment in August 2018 or not. Ms H said she didn't have any faith in Creation being able to set up her payments correctly.

As Ms H didn't accept the investigator's recommendation, the complaint came to me.

## *my provisional findings*

After considering all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint, I was minded to require Creation to do more than it had done or offered so far. I issued my provisional decision on 15 November 2018.

Creation agreed that it had made mistakes with the direct debits so I didn't think that I needed to revisit the background in more detail. I wanted to focus on whether Creation had done enough to put things right for Ms H given the impact the mistakes had had on her.

I was satisfied that Ms H made Creation aware early on that she was finding the whole situation particularly stressful due to her autism. Ms H first complained to Creation in April 2018. She chased Creation at least twice but it wasn't until late August 2018 that Creation explained how it intended to put things right.

During this time and since Ms H made her complaint to us, Creation continued to ask for payment. As Ms H made Creation aware of her disability from the start of her complaint, I thought it was reasonable to expect Creation to respond more quickly than it did. I also

considered that Creation should've made sure that the relevant department wasn't continuing to chase Ms H for payment while it was trying to resolve her complaint.

I appreciate Ms H's concern when she contacted Creation to set the direct debit back up. It seemed that Creation gave Ms H conflicting information about whether a payment was due in August 2018. Ms H had already encountered problems with the way her account had been managed. Understandably, Ms H was reluctant to restart the direct debit in the absence of clear information.

Like the investigator, I didn't think it was reasonable to require Creation to write off the remaining balance on the loan. Ms H had the benefit of the money lent so I thought it was fair that Creation expected her to repay the loan. However, I thought that Creation should pay more compensation than it had paid so far. This was to reflect the impact the delay and continued requests for payment had had on Ms H, particularly in light of her personal circumstances.

Creation had already written off the arrears as they stood on 23 August 2018 (being the date of its final response). I thought that in the interests of achieving a degree of certainty for Ms H, it was fair to require Creation to write off any further arrears that have accrued since its final response.

Ms H and Creation needed some time to respond to my provisional decision before I made my final decision. It seemed fair to me that during this time, Creation shouldn't expect Ms H to restart her direct debit payments. Creation should therefore write off any future payments that would have accrued between my provisional decision and the date on which Ms H either accepted my final decision or the deadline for acceptance expired.

The directions that I set out were made on the basis that Creation has already agreed to write off some arrears, amend Ms H's credit file and paid her £100 compensation. I invited Ms H and Creation to let me know if any of the steps hadn't yet been taken.

#### *further submissions*

Ms H says that Creation only paid £75 not £100. And she has pointed out that Creation paid it after we became involved, not before. I'm sorry for the oversight in my provisional decision.

Ms H says that she doesn't have any trust in Creation and suggests that someone from the business contacts her directly to arrange repayment of the outstanding balance.

Ms H also says that Creation have continued to contact her. She's very unhappy about this.

Creation had nothing further to add to my provisional decision.

#### **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate that Ms H is unhappy that Creation has continued to ring her but as she's not given me further details of what has been discussed, I don't think I can say much more about this.

I understand that Ms H wants a caseworker at Creation to discuss repayment of the balance with her. I don't think I need to give this kind of direction to Creation. If Ms H accepts my final decision, I would expect Creation to take the steps I've outlined below. I hope that this goes some way to dealing with Ms H's concerns about the way in which her loan account will be handled.

Overall and as Creation doesn't have anything further to add, I think it's fair to make my final decision along similar lines to my provisional decision. I have included an additional direction to deal with the £25 that Ms H says Creation didn't pay as part of the compensation payment in August 2018.

### **my final decision**

My decision is that I uphold Ms H's complaint. To put things right, I require Creation Financial Services Limited to:

- Write off any arrears and/or payments that have or will have accrued from the date of Creation's final response to the date on which Ms H either accepts my final decision or the date on which acceptance of my final decision expires, whichever date comes first;
- Tell Ms H what the outstanding balance is after writing off the arrears;
- Allow Ms H a reasonable amount of time to set up a new direct debit making sure that Creation doesn't increase Ms H's monthly repayments unless she asks it to;
- If it hasn't yet done so, pay Ms H the sum of £25 to make up the full compensation payment that Creation said it had paid in August 2018; and
- Remove any negative information that it has recorded on Ms H's credit file up to the time any new direct debit is set up.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 17 January 2019

Gemma Bowen  
**ombudsman**