

## **complaint**

Mr K complains about interest charges on his credit card account with Creation Financial Services Limited.

## **background**

Mr K has a credit card with Creation. He missed a monthly payment so Creation put a hold on his card and added a £12 late payment charge to his account. Mr K discovered this when he tried to use the card and rang Creation.

He said that he hadn't received his monthly statement so hadn't contacted Creation to make his payment as normal. Creation agreed to remove the £12 late payment fee from his account. It took the missing payment and another payment from Mr K over the phone. Creation also offered to remove half the additional interest Mr K had been charged. But Mr K wasn't happy with that and so he complained. Creation therefore withdrew the offer to remove half the additional interest.

Our investigator didn't think that Creation had done anything wrong. He said that Mr K had missed the payment, so Creation was entitled to add the late payment fee and the additional interest. It'd removed the fee as a gesture of goodwill, but was no longer willing to write off part of the additional interest. So Mr K has asked for an ombudsman to review his complaint.

## **my findings**

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

It's unfortunate the Mr K didn't make the monthly payment he missed. I don't doubt what he said – that he never received the relevant statement. He relied on the statement to remind him to make a manual payment as he didn't have a direct debit or standing order set up.

But Creation has provided evidence that suggests it did send the statement, and I think it most likely that it did so. Unfortunately things do get lost in the post from time to time, and I think that's what's likely to have happened here – that isn't Creation's fault. Nor is it Creation's fault that Mr K has decided he prefers to make manual payments.

As Mr K did miss the payment he should have made, Creation was entitled to add the late payment fee and charge additional interest. It's now removed the late payment fee as a gesture of goodwill but is no longer willing to remove half the additional interest. As it is entitled to charge the interest, I don't think that's unfair.

I've listened to the calls that Mr K had with Creation and I don't think it misled him about that. I also think that it followed his instructions properly in taking the next payment from him.

In all the circumstances, I don't think that Creation has done anything wrong here, and so I don't think it would be fair to uphold the complaint and require it to write off the additional interest.

## **my final decision**

For the reasons I've given, 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 K to accept or reject my decision before 14 August 2017.

Simon Pugh  
**ombudsman**