

complaint

Mr F is unhappy that a payment he made on his credit card held with Creation Financial Services Limited did not clear his purchases as his payment took place before the statement due date.

background

Mr F opened his credit card account in July 2012 and transferred a £1,600 balance to take advantage of a 12-month 0% offer. In September 2012 he made a £4,000 payment with the intention of clearing purchases that were made in August 2012 (£3,985). However, as this was before the statement due date, the payment cleared his balance transfer instead and left him with a £1,500 interest bearing balance to clear.

The adjudicator recommended that this complaint should be upheld. He concluded that the terms and conditions of the credit card account were not clear that Mr F would need to wait until items appeared on his paper statement, before they would be included in a payment allocation. He recommended that Creation refund the balance transfer fee and pay Mr F £50 for his inconvenience.

Mr F has transferred the balance to another credit card company. He has asked for a refund of the fee for transferring this balance

my findings

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

I agree with the adjudicator that, in all the circumstances, Mr F was not unreasonable in expecting that his payment in September would be allocated to the purchases he made in August. I am not satisfied the terms and conditions of his Creation account were sufficiently clear that Mr F would need to wait for a paper statement, in order for payments to be included in a payment allocation. I am satisfied that he intended to pay off all of his purchases in September but, due to the way his payment was allocated, this did not occur.

Therefore, in all the circumstances, I agree that it is fair and reasonable that Mr F be refunded his transfer handling fee as he did not benefit from making the balance transfer. I also agree that the recommended compensation of £50 for his inconvenience is fair and reasonable.

I do not consider that it would be fair to require Creation to pay him additional compensation for his subsequent balance transfer as he had the benefit of moving the account to the new credit card provider.

my final decision

My decision is that Creation Financial Services Limited should refund Mr F's balance transfer fee of £46.40 and pay him £50 compensation in full and final settlement of this complaint.

Zoe Copley
ombudsman