

## **complaint**

Miss C complains about the way that Creation Financial Services Limited has dealt with her account after it was transferred to a third party.

## **background**

Creation Financial Services lent £10,000 to Miss C under a fixed sum loan agreement that she signed in November 2012. She was experiencing financial difficulties and a reduced payment arrangement was agreed in November 2014. Creation Financial Services transferred Miss C's account to a third party in February 2016.

She complained to it last year that it was still showing the account as active and about the way that it had dealt with the account. It said that the account became dormant after it was transferred to the third party and that the communications that it had sent to her had been appropriate. Miss C wasn't satisfied with its response so complained to this service.

The investigator didn't recommend that this complaint should be upheld. He didn't think that Creation Financial Services had acted unfairly.

Miss C has asked for her complaint to be considered by an ombudsman. She says that: Creation Financial Services has been unfair in its collections practices; the income and expenditure form that it sent to her is linked to the many letters that it sent her; it also phoned her and she told it that she couldn't pay; and it debited money from her account until she engaged with a debt advice charity.

## **my findings**

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

Miss C is clearly upset by her dealings with Creation Financial Services and considers that it has acted incorrectly. She entered into a loan agreement with it in November 2012 and she had some financial difficulties which led to a reduced payment plan being agreed with her in November 2014. It collected payments from her but she says that she told it that she couldn't afford to pay them and it took money from her.

Miss C's complaint form to this service doesn't refer to her financial difficulties or the payment plan that it agreed with her. So I'm unable to consider those issues as part of this complaint. A lender is required to respond to a borrower's financial difficulties positively and sympathetically. That doesn't mean that it's obliged to refund charges, or to take any other particular action, as what's appropriate in each case will depend on the customer's individual circumstances. The evidence shows that a reduced payment plan was agreed and that may be enough to show that Creation Financial Services responded to Miss C's financial difficulties positively and sympathetically.

Creation Financial Services was contacting Miss C about her account by letter and phone. But it transferred her account to a third party in February 2016. It says that it hasn't sent her letters about her account since then (other than in response to her complaint) - and Miss C hasn't provided copies of any such letters that it's sent to her.

She complained to it – and then to this service – that it had kept her account open after it was transferred to the third party. But, as I understand it, she now accepts that the debt on the account is only being reported by the third party and Creation Financial Services says that its account with Miss C hadn't been operational since 2016.

I sympathise with Miss C for the financial difficulties that she's experienced. But I'm not persuaded that there's enough evidence to show that Creation Financial Services has acted incorrectly in its dealings with her about the loan agreement, that it's harassed her for repayment of the loan or that its collection practices have been unfair.

So I find that it wouldn't be fair or reasonable in these circumstances for me to require it to pay any compensation to Miss C – or to take any other action in response to her complaint.

### **my final decision**

For these reasons, my decision is that I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 1 July 2020.

Jarrold Hastings  
**ombudsman**