



complaint

Mr L complains that Creation Financial Services Limited charged a higher rate of interest on his credit card than was due.

background

Mr L has a credit card account with Creation. In January 2012 he noticed that the estimated interest was higher than it should have been had the correct rate of interest of 1.529% been applied. This was also the pattern in the following months and as a result he complained to Creation. It responded that Mr L had not taken into consideration that interest is charged from the initial purchase.

In order to investigate matters our adjudicator requested asked Creation for information including a monthly calculation of interest until April 2012 and information about interest rate changes. This would be information relevant to resolving this dispute. Although some information was provided by Creation, significant information was not provided including the calculation of interest from April 2011 to April 2012 covering the period in dispute.

Creation said that the interest rate was raised in April 2012. But it did not provide copies of the notification to Mr L, the reasons given and any opt-out option, all of which the adjudicator requested. In these circumstances, the adjudicator recommended the complaint should be upheld and that Creation should rework Mr L's credit card at the rate of 1.529%. Neither Creation nor Mr L responded.

my findings

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

Mr L has set out how he believes that from January 2012 - following purchases in December 2011 - the interest rate that he thought was being applied to his account appears not to have been applied. In the absence of information from Creation about the calculation of interest during this period I find it likely, on balance, that an incorrect rate of interest was applied. Like the adjudicator I will request Creation to rework the interest rate over the period complained about.

Although Creation appears to have increased the interest rate during this period it has not provided evidence that it informed Mr L of that. I consider that the interest should be reworked on the rate that Mr L believed he was paying on his account namely 1.529%.

There is one further matter. Our adjudicator made reasonable requests for information from Creation. Although he received some response he did not receive important pieces of information and no explanation was provided for this. This failure would have delayed the resolution of the dispute and caused Mr L distress and inconvenience. For that I find that Creation should pay Mr L £75.

my final decision

My final decision is that I uphold this complaint and in full and final settlement of it I direct that Creation Financial Services Limited:

1. adjust the interest on Mr L's credit card account from December 2011 until the date of settlement to that of 1.529% per day or 19.9% per annum. If Mr L has cleared his account Creation should pay the amount of the interest adjustment to him;
2. pay directly to Mr L £75 for the distress and inconvenience he has suffered.

Gerard McManus
ombudsman