

The complaint

Mr F complains Creation Consumer Finance Ltd failed to remind him of the date by which he needed to pay it £749.00 to avoid interest accruing on his account and becoming payable by him.

What happened

On 17 October 2022 Mr F purchased an electrical item costing £749.00 with credit provided by Creation. Under the terms of Mr F's credit agreement he was able to avoid interest accruing on his account and becoming payable by him by paying Creation £749.00 on or before 17 October 2023.

On 17 November 2023 Creation collected, by way of direct debit, the sum of £48.73 from Mr F's bank account for the credit of his account with it.

On 17 November 2023 Mr F paid Creation £700.27 (£749.00 less £48.73) and complained to it that it had failed to remind him, in good time, of the date by which he needed to pay it £749.00 to avoid interest accruing on his account and becoming payable by him.

On 20 November 2023 Creation issued Mr F with a final response letter. Under cover of this letter Creation said it wasn't upholding his complaint.

On 20 November 2023, and unhappy with Creations FRL, Mr F referred his complaint to our service.

Mr F's complaint was considered by one of our investigators who came to the view that it shouldn't be upheld.

Mr F didn't agree and so his complaint has been passed to me for review and decision.

What I've decided – and why

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

Having done so I can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons.

I've read the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point or particular piece of evidence, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome. And our rules allow me to do this, this reflects our informal, free service as an alternative to the courts.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

As a starting point, I've referred to the credit agreement. I'm satisfied this clearly sets out the cost of the item (£749.00), the total amount payable (£1,169.52) and the amount needed to be paid (£749.00) on or by 17 October 2023 to avoid interest accruing and becoming payable. Mr F electronically signed this agreement on 17 October 2022 so I'm satisfied he was aware of the same.

In cases involving the type of agreement Mr F entered into, The Financial Conduct Authority's Handbook says at CONC 6.7.16A:

"Where a customer has the benefit of a zero-percentage or low interest, introductory or promotional offer that depends on the customer meeting certain conditions, a firm must provide notice to the customer reminding them of any action they need to take to meet the conditions of the offer and the date by which this action must be taken, within a reasonable period before that date, taking account of the time at which the information may be most useful to the customer".

It also goes on to say that notice must be provided in an appropriate medium, be sufficiently prominent and take into account any communication preferences by the consumer. So I've taken this into account when considering this complaint.

Creation has provided our service with statements that it says it sent to Mr F by post on 27 August and 27 September 2023.

Having regards to the date Creation says it sent these two statements and that on page one of both is noted the following:

Important Information

The Buy Now Pay Later period for you [purchase] is due to end 17/10/23. If you pay the full amount of £749.00 by this date, you will not pay any interest on this purchase. After the Buy Now Pay Later Period has ended your payment amount for this purchase will be £48.73 per month starting on 17/11/23.

...I'm satisfied, on the assumption these two statements were sent, that it's fair and reasonable to conclude that Creation met its regulatory obligations under CONC 6.7.16A.

However, in order for me to conclude that Creation hasn't, in the particular circumstances of this case, done anything wrong I need to be satisfied that the two statements it says it sent were correctly addressed and actually sent by it.

For the avoidance of doubt I would like to point out that I don't need to be satisfied that the two statements were received by Mr F, just that they were sent. And given what Creation has said and provided I'm satisfied, on the balance of probabilities, that they were.

As I say above, as well as being satisfied that the two statements Creation says it sent were sent I also need to be satisfied that they were correctly addressed.

As the parties are aware both statements have the first line of Mr F's address duplicated. But I'm not persuaded that this means they were incorrectly addressed. I say this because it's my understanding that what is key to post being deemed deliverable is a correct post code and door number and these are both present on the copy statements provided by Creation.

I don't doubt that it was Mr F's intention to pay Creation £749.00 on or before 17 October 2023. I also don't doubt Mr F will be disappointed by my decision. But based on what both parties have said and submitted I'm satisfied that Creation has done nothing wrong in the particular circumstances of this case and it hasn't failed to treat Mr F fairly and reasonably.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 July 2024.

Peter Cook
Ombudsman