

The complaint

Mr T complains that Creation Financial Services Limited hasn't provided the requested breakdown of the interest charges, and how they were calculated for the period from the initiation of a 0% balance transfer in December 2022, on his credit card account.

What happened

Mr T has a credit card account with Creation Financial Services. He made a 0% balance transfer of £4,900 to that account in December 2022. He complained to Creation Financial Services in December 2023 that interest had been applied to his account incorrectly. It sent its final response letter to him in May 2024. It said that Mr T had been making purchases since the balance transfer so interest had been charged on them rather than on the balance transfer. It offered to send account statements to Mr T. It apologised that Mr T hadn't received any responses to e-mails that he'd sent in November and December 2023 and, in recognition of the delay he'd experienced, it compensated him with £50.

Mr T wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld. He was satisfied that Creation Financial Services had charged interest in line with the terms and conditions of the account and the information provided in Mr T's credit card statements. He said that Creation Financial Services' systems don't have the functionality to provide information about how the payments have been allocated for more than six months. He agreed that the delays and overall service could've been better but he was persuaded that its apology and £50 compensation was fair.

Mr T didn't agree with the investigator's recommendation and asked for his complaint to be considered by an ombudsman. He says that, without Creation Financial Services providing the details of how the interest is calculated, it's impossible to know if it's correct.

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.

Creation Financial Services has provided copies of Mr T's credit card account statements for the period from December 2022 to June 2024. The December 2022 statement shows that Mr T made a balance transfer of £4,900 to his credit card account and Creation Financial Services says that a promotional code was applied so the balance transfer would be interest free for twelve months. It also says that Mr T has been making purchases using his card in the period since December 2022 and interest has been charged on them rather than on the balance transfer.

I've looked carefully at the statements for the period of the interest free balance transfer and I have set out below the new transactions in each month and the interest that was charged.

Month	New transactions	Interest
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December 2022	£8,097.08 (including the balance transfer of £4,900)	£74.80
January 2023	£2,479.77	£56.64
February 2023	£1,772.41	£41.78
March 2023	£4,406.39	£70.45
April 2023	£6,815.14	£121.66
May 2023	£3,445.78	£137.30
June 2023	£3,955.05	£139.16
July 2023	£151.90	£110.80
August 2023	£103.34	£87.98
September 2023	£2,690.57 (including a balance transfer of £2,500)	£75.64
October 2023	£78.24	£63.05
November 2023	£66.22	£50.04
December 2023	£24.95	£16.51

Creation Financial Services says that the terms of the balance transfer offer, which were accepted by Mr T, say: *"If you take advantage of this offer you will not be charged interest on the Balance Transfer. If you use your card to make purchases, you will be charged interest on these from the day of the purchase unless you clear the full balance including the Balance Transfer"*.

The statements show that Mr T didn't pay the full amount of the new transactions (balance transfers excepted) in some of those months so Creation Financial Services charged interest, as had been agreed. The way that interest is calculated has led to him paying relatively large amounts of interest compared to the new transactions for the months between July and December 2023. Creation Financial Services also provided Mr T with an annual account summary for the year to July 2023 which showed that he'd made purchases totalling £37,254.21 and paid interest of £1,164.20.

Creation Financial Services says that its systems don't have the functionality to provide information about how the payments have been allocated for more than six months and it hasn't been able to provide a more detailed explanation to show why the interest was charged each month. But I'm not persuaded that there's enough evidence to show that Creation Financial Services has applied any of that interest to Mr T's account incorrectly and I don't consider that it's required to provide a more detailed breakdown of the interest that it's applied to Mr T's account. I appreciate that this will be disappointing for Mr T, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Creation Financial Services to refund to Mr T any of the interest that it's applied to his account.

Creation Financial Services accepted that Mr T hadn't received any responses to e-mails that he'd sent in November and December 2023. It apologised for that and, in recognition of the delay he'd experienced, it compensated him with £50. I consider that to have been a fair and reasonable response to the customer service issues that Mr T had experienced and I'm

not persuaded that it would be fair or reasonable in these circumstances for me to require Creation Financial Services to pay him any more compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 December 2024.

Jarrold Hastings
Ombudsman