

## **The complaint**

Mr G complains that Creation Financial Services Limited closed his account without notice and didn't credit his points. He'd like compensation for the closure and the points returned.

## **What happened**

Mr G had a reward club credit card account with Creation. This included the ability to earn reward points which could be redeemed for hotel stays or experiences.

On 16 July 2021 Creation decided to close Mr G's account with immediate notice. Mr G advised he didn't discover this until logging into his mobile app.

Creation also refused to credit Mr G with the 17,600 points he accrued during the last statement period.

Mr G complained to Creation. But Creation didn't uphold his complaint. They thought they'd acted fairly in closing his account without notice – and not crediting the points.

Mr G wasn't satisfied with Creation's response so complained to our service.

One of our investigator's looked into Mr G's complaint. They asked Creation for more information regarding their decision to close his account and evidence of the notification of closure.

Creation provided further information regarding their decision to close Mr G's account. But, Creation advised that apart from the template letter already provided they couldn't provide any further information.

Our investigator thought Creation acted fairly in closing Mr G's account without notice, and failing to award him the points from the last statement period. However, they thought Creation hadn't notified Mr G of the account closure – as they are required to do – and therefore Mr G was caused inconvenience. Our investigator asked Creation to pay Mr G £50 compensation.

Mr G accepted our investigator's recommendation. But Creation didn't agree. In response they sent a copy of the letter they issued to Mr G dated 16 July 2021 which notified him of the account closure. Our investigator asked Creation why they hadn't shared this letter with our service before and she explained on balance she wasn't persuaded the letter was sent.

## **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.

### *Account closure and withholding of points*

Our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or

commercially sensitive information. Some of the information Creation has provided is information that we considered should be kept confidential.

Creation can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Creation have relied on the terms and conditions when closing Mr G's account. The terms explain that the bank can close an account without notice in certain specific circumstances. I've considered the full circumstances of this complaint and I agree Creation were entitled to close the account without giving notice.

I've also considered the withholding of Mr G's points for the last statement period . I understand this will disappoint Mr G, but I'm satisfied Creation acted fairly and within the reward club terms and conditions when failing to credit the points. The relevant term says, '*services and benefits can be removed at any time*'. For this reason I'm satisfied Creation's actions weren't unfair here.

#### *Account closure notification*

Creation provided our service with a template closure letter sent to all customers when an account is closed. They also advised that they couldn't provide a copy of the *actual* letter sent to Mr G. I can see we've now received a copy of the letter and it is dated the same date (16 July 2021) that Creation advised the closure letter was sent. But, Creation haven't been able to provide confirmation via screenshot or contact notes to show the letter was issued. Usually our service would regard a dated letter as sufficient to indicate it was likely sent however as Creation weren't able to initially provide it to our service I don't find it as persuasive as I normally would. I've also taken into account Mr G's consistent account that he *didn't* receive the letter. For this reason I'd want to see a record on the case file, which I haven't, that the letter was issued. It follows, on balance I can't say the letter was successfully sent.

#### **Putting things right**

I've thought about the level of inconvenience caused to Mr G in Creation failing to notify him of the account closure. And I think he was caused some upset in logging on to his app and finding out his account was closed. I think £50 is fair compensation for the distress caused to him.

#### **My final decision**

My final decision is I direct Creation Financial Services Limited to:

- Pay Mr G £50 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 July 2023.

Jeff Burch  
**Ombudsman**