

The complaint

Mr A complains that Creation Financial Services Limited closed his account, didn't credit his points, a free night stay voucher or refund the annual fee. He'd like his benefits credited and compensation for the impact.

What happened

Mr A had a rewards club premium credit card account with Creation which included an annual fee of £99. The card included the ability to earn reward points, which could be redeemed for hotel stays or experiences, and a hotel voucher for a free night stay.

On 30 September 2021 Creation sent a letter to Mr A informing him that his credit card account would be closed on 3 December 2021. And they wouldn't be crediting him the points for the last statement period, his free night stay voucher or a refund of the unused annual fee.

Mr A complained to Creation. But Creation didn't uphold his complaint. They thought they'd acted fairly in closing his account, not refunding the annual fee, crediting the points or the free night stay voucher.

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

After Mr A's complaint was brought to our service Creation made an offer. They offered Mr A a pro-rata refund of his annual fee, the points not credited and the free night stay voucher.

Mr A didn't accept the offer. He complained that Creation haven't offered compensation for the time, hassle and inconvenience caused and having to raise a complaint with our service.

One of our investigator's looked into Mr A's complaint and thought Creation needed to do more. Our investigator thought that as well as offering to refund the annual fee, points and the free night stay voucher Creation should pay Mr A £50 for the inconvenience caused to him.

Mr A accepted, but Creation didn't.

On reviewing the case I reached a slightly different conclusion to our investigator. I thought that Creation should refund the pro-rata annual fee, the points and the free night stay voucher. However, I didn't think £50 compensation was fair. I explained that it isn't the role of our service to punish a business, nor do we compensate for the inconvenience experienced in raising a complaint. I explained, our service doesn't make awards for mistakes which haven't caused more than the normal nuisances of everyday life.

Mr A didn't respond to my thoughts. So I've proceeded to issue my 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.

Account closure

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 A's account. The terms explain that Creation can close an account for any reason by giving 60 days' notice. I understand this is disappointing for Mr A however, by providing the full notice period here I can't say Creation have acted unfairly.

Annual fee, withholding of points and hotel voucher

Creation have offered to reimburse Mr A's points, award him the free night stay voucher and give a pro-rata refund. I'm satisfied that Creation shouldn't have deprived Mr A of access to the points, voucher and pro-rata refund when initially closing his account. But, I'm pleased to see that they've now agreed to rectify this.

I appreciate this will disappoint Mr A, however I'm afraid I haven't changed the outcome I reached in my initial thoughts. As I explained, I'm satisfied Creation acted fairly in closing Mr A's account, but I agree they should have returned his unused annual fee, credited the points and granted him the free night stay voucher – I'm pleased to see that Creation have now agreed to do this, and having done so they've put Mr A back in the position he should have been in at the time.

Therefore I can't say he's lost out here.

Putting things right

If they haven't already done so I'll be directing Creation to credit Mr A's points, refund the unused part of the annual fee and award the free night stay voucher.

My final decision

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

- Refund Mr A the uncredited points
- Award Mr A the free night stay voucher
- Pay Mr A £46.65

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 August 2023.

Jeff Burch
Ombudsman