

## **The complaint**

Mr W 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 W 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 1 October 2021 Mr W received a letter from Creation which informed him his credit card account would be closed on 3 December 2021.

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

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

Mr W didn't accept the offer – he explained that due to the delay in offering a resolution, he'd like between £150 and £250 compensation.

One of our investigator's looked into Mr W's complaint. They thought due to the distress and inconvenience caused to Mr W they should pay him an additional £50 compensation.

Mr W accepted, but Creation didn't. And they didn't agree to pay Mr W £50 compensation.

As Creation didn't accept, the case has been moved to me to decide.

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 W didn't agree. In summary he said:

- Lots of premium reward credit card holders were impacted, and he thinks it was a strategic decision taken by Creation at the time
- It was logical that the fair thing to do was to refund for unused months, owed points and the free night stay vouchers – but Creation refused to do this.

- He spent hours calling and emailing Creation to try to get a fair outcome but was either ignored or they rejected his requests. Therefore he had no alternative but to go to the ombudsman service.

As Mr W didn't agree it's been passed to me to decide.

### **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 W'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 W 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 W'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 W 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.

#### *Compensation*

I've considered Mr W's response to my provisional decision. And I appreciate this will disappoint him, however I'm afraid I haven't changed the outcome I reached in my initial thoughts. Mr W's argued that this was a strategic decision taken by Creation at the time and it was logical for them to return any unused annual fee, credit the points and the free night stay voucher. As I've explained above I'm satisfied Creation acted fairly in closing Mr W'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 W back in the position he would have been in at the time. Therefore I can't say he's lost out here.

Mr W's explained he spent hours contacting Creation to attempt to get a resolution to his complaint. I understand this was likely time consuming and frustrating for Mr W. But as I've already outlined I'm satisfied the level of inconvenience Mr W experienced isn't sufficient to meet the criteria for a financial award.

### **Putting things right**

If they haven't already done so I'll be directing Creation to credit Mr W'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 W the uncredited points
- Award Mr W the free night stay voucher

- Pay Mr W £37.97

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 July 2023.

Jeff Burch  
**Ombudsman**