

## **The complaint**

Mr R complains Creation Financial Services Limited unfairly closed his credit card account, refused to transfer points he earned using his credit card, and failed to issue him a voucher for a hotel stay. He says he wasn't told his account had been closed immediately which caused him embarrassment when he tried to use his card.

## **What happened**

Mr R held a credit card with Creation that was linked to membership of a reward scheme. Points earned on the card were redeemable against hotel stays and associated benefits. One specific reward was an anniversary voucher, which could be redeemed for a one night stay at a hotel. To qualify for the voucher Mr R's spending needed to reach a specific sum.

Creation reviewed Mr R's account and decided to close it. They sent Mr R a letter at the end of September 2021 giving him 60 days' notice before his account would close. Mr R complained and said they should still honour the voucher for the hotel stay and refund his annual membership fee.

Creation decided to close Mr R's account immediately in late October 2021. Mr R says he discovered this when he tried to use his card in a restaurant. On contacting them he says he was told he had to pay off his balance in spite of the original notice period they gave him.

Our investigator upheld the complaint in part. They said Creation hadn't acted unfairly by closing Mr R's account immediately or by refusing to honour the hotel voucher or transfer the remaining points. But Creation hadn't shown they notified him when they closed his account. If they had, Mr R could've avoided the embarrassment of having his card declined in a restaurant. They should pay him £50 to put this right. They should also give him a prorated refund of his annual account fee.

Mr R accepted the investigator's findings, but Creation failed to respond. As a result, this complaint has been passed to me to make a final decision in my capacity as an ombudsman.

## **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.

I am upholding Mr R's complaint in part. I'll now explain my findings.

Creation decided to review Mr R's account and close it. They have the discretion to end a customer relationship. And, while they don't need to reveal their reasons to Mr R, I have considered the basis of their decision and find it's legitimate.

Creation should provide the correct closure notice under the account terms. They originally gave 60 days' notice, but later changed their mind and closed the account immediately. Based on the information I've available I'm satisfied Creation could close the account

immediately, and their decision was in line with their legal and regulatory obligations.

Mr R wants his remaining points transferred and his anniversary voucher or a cash equivalent. But after considering the basis for Creation's decision, I'm satisfied their decision to refuse Mr R's request was reasonable. So, I'm not directing them to give Mr R what he wants.

I am not, however, satisfied by the service Mr R received from Creation. I haven't seen a good reason why they didn't notify him that they changed their position and his account had closed. I've no reason to doubt he tried to use his card in a restaurant – Creation haven't provided evidence to contradict this – and his embarrassment could've been avoided. I find £50 is a fair sum to compensate him in these circumstances.

I haven't seen a good reason why Creation should retain the full annual account fee they charged Mr R. He was charged £99 on 21 July 2021 and his account closed on 22 October 2021, so he paid for usage of the account he didn't benefit from. Creation should refund him a prorated sum representative of the period he no longer had use of his credit card account.

### **Putting things right**

Subject to Mr R accepting this decision within the deadline, I require Creation Financial Services Limited to:

- Pay him £50, excluding any previous compensation they have paid.
- Pay a prorated refund of the account fee for the time Mr R no longer had use of the account.

### **My final decision**

My decision is I uphold Mr R's complaint and require Creation Financial Services Limited to pay compensation according to my instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 July 2023.

Liam King  
**Ombudsman**