

The complaint

Mr L complains Creation Financial Services Limited closed his account. He would like his free night voucher and compensation.

What happened

The facts which led to Mr L bringing this complaint to our service are well known to both parties, so I am not repeating them in full here.

In summary Mr L had a credit card account with Creation. For an annual fee the card provided points and a free hotel stay voucher given a qualifying spend of £10,000 a year. Creation gave Mr L 60 days' notice of the closure of his account. Mr L complained to this service. Creation made an offer to Mr L to refund his pro rata fee as well as his credit balance. Mr L has had this refund. They said he didn't qualify for the hotel voucher as he had not reached the required spend.

Our investigator thought the offer was fair but agreed that Mr L had spent a long-time chasing Creation to get the information he needed and awarded £50 compensation for Mr L's inconvenience. Creation agreed.

Mr L disagreed with the outcome and asked for a final decision, so the complaint has 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 L'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 L however, by providing the full notice period here I can't say Creation have acted unfairly.

Annual Fee

Creation have agreed to refund Mr L the pro rata fee for his card. Both Mr L and Creation have agreed this is fair in the circumstances and I agree.

Hotel voucher

Where Mr L and Creation disagree is in relation to the voucher. Mr L wants Creation to give him a voucher for a free night stay in a hotel. His argument is that he nearly achieved the necessary spend, he was less than £300 short, and he would have achieved the spend had the card not been withdrawn part way through the qualifying period. He has said that Creation should reduce the qualifying spend or alternatively that as he achieved 99% of the

spend, he should be awarded 99% of the voucher. Mr L has also provided information as to the amount he has lost as a result of the voucher not being awarded. He has sent evidence that he has booked accommodation in a hotel abroad and he would have saved around £350.

I appreciate that Mr L is extremely disappointed at the loss of his hotel voucher. But Mr L hasn't accrued enough points to be entitled to a hotel voucher. I can see that Creation are entitled to close the account with 60 days' notice – I've already said I think Creation have acted fairly. Mr L has said that withdrawing services and benefits is an unfair term and gives an imbalance of power. I know that Mr L is upset he missed out on the voucher, but Creation have given him 60 days' notice of their intention to close his account – which is fair and in line with the account terms which Mr L agreed to. In addition, Creation don't have to give him notice of their intention to withdraw the card benefits. I also don't think withdrawing services or benefits is an unfair term, otherwise businesses wouldn't be able to withdraw from agreements with customers. Having said that I realise that the withdrawal of the benefits led to a detriment in this instance. Which is why Creation have offered a pro rata refund of the card fee. I know he will be disappointed, but I'm satisfied that Creation haven't acted unfairly here so I won't be asking them to do anything else.

The investigator awarded Mr L £50 compensation for failures of communication that Creation had admitted to in the FRL. Creation have agreed with this compensation. I have considered the amount of compensation and the circumstances, and I'm satisfied £50 is a fair amount of compensation for the failures in communication, and I see no reason to change it.

Putting things right

Creation have already paid Mr L the pro rata refund of his card fee. Mr L should receive £50 for the failure in communications Creation has already accepted.

My final decision

For the reasons mentioned above I partially uphold the complaint. I direct Creation Financial Services Limited to pay Mr L £50 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 September 2023.

Esperanza Fuentes
Ombudsman