

## **The complaint**

Mr M 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 M 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.

In late 2021, Creation sent Mr M a letter informing him that his credit card account would be closed in 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 M complained to Creation. But Creation didn't uphold his complaint. They said they had acted fairly in closing Mr M's account, not refunding the annual fee, crediting the points or the hotel voucher. Mr M wasn't happy with Creation's response and brought his complaint to our service.

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

Mr M 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. Mr M also said he wasn't able to use his voucher when he booked a trip in 2022, to celebrate a relative's milestone birthday. So he lost out as he had to use cash instead to pay for his accommodation.

One of our investigator's looked into Mr M's complaint and thought Creation needed to do more. Our investigator thought that as well as offering to refund the annual fee, points and free night stay voucher, Creation should pay Mr M £80 compensation for the inconvenience caused to him by not being able to use his free night stay voucher when he went on holiday in 2022.

Mr M accepted the view. Creation rejected the investigator's recommendations. Creation said it had done enough to put things right and could withdraw the card benefits at any time. So it didn't accept it should pay Mr M any further compensation.

As no agreement could be reached the matter has come 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 M's account. I reviewed the terms and they explain that Creation can close an account for any reason by giving 60 days notice. I appreciate this is disappointing for Mr M however, Creation have provided Mr M with the full notice period, so I can't say Creation have acted unfairly.

#### *Annual fee, withholding of points and hotel voucher*

Creation have offered to reimburse Mr M'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 M of access to the points, voucher and pro-rata refund when initially closing the account. But I'm pleased to see that they have now agreed to rectify this. I understand that Creation has already reimbursed Mr M his points and voucher. But Mr M is still awaiting his annual fee refund.

I note that Creation has agreed to pro-rata refund of his annual fee, but I will make an award in that sum, of £29.84, so that Mr M can enforce it should he need to do so.

The investigator thought that Creation should also pay Mr M £80 compensation as Mr M wasn't able to use his free night voucher on holiday in 2022. Mr M has provided evidence to this service that he had made a trip in September 2022 which included booking accommodation. He wasn't able to use his voucher which at the time would have been available to him and had to use cash to pay for his hotel stay. So I'm satisfied that he lost out on the opportunity of using his voucher and was inconvenienced. Taking this into account, I agree with the investigator that Creation should pay Mr M compensation. I'm satisfied that £80 compensation is a fair amount of compensation and proportionate to the trouble and upset Mr M was caused by not being able to use his free night voucher.

#### **Putting things right**

If they haven't already done so, I'll be directing Creation to refund the unused part of the annual fee, and credit his outstanding award club points to his account; pay Mr M a total of £80 compensation for the trouble and upset of not being able to use his free night voucher.

#### **My final decision**

My final decision is that I uphold this complaint and direct Creation Financial Services Limited to:

- Pay Mr M £29.84
- Credit Mr M's IHG account with his outstanding award club points
- Pay Mr M a total of £80 compensation for the trouble and upset caused by not being able to use his free night voucher

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 September 2023.

Sharon Kerrison

**Ombudsman**