

The complaint

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

After Mr C brought his complaint to our service Creation made an offer to resolve Mr C's complaint. They offered Mr C a pro-rata refund of his annual fee, the points not credited and the free night stay voucher. Mr C didn't accept the offer as he didn't think the offer contained sufficient detail.

One of our investigator's looked into Mr C's complaint and thought Creation's offer was fair. Mr C disagreed. He said Creation hadn't done enough to put things right. He complained that Creation haven't offered compensation for the time, hassle and inconvenience caused and having to raise a complaint with our service. He's also unhappy that he hasn't been compensated for loss of use of his annual fee refund due to the amount of time Creation has taken to sort things out.

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 C'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 C however,

Creation have provided Mr C 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 C'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 C 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 C his points and voucher. But Mr C 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 £62.65, so that Mr C can enforce it should he need to do so.

Mr C has said he wants additional compensation to resolve this matter. He's pointed out that he's spent time and effort trying to resolve his complaint. And missed out on the use of his pro-rata refund of £62.65.

I should explain that our awards are designed to reflect the actual loss, trouble, and upset caused to the consumer by something a financial business did wrong. We are not here to punish financial businesses. Nor can we award compensation as a means of punishing a business for a consumer bringing their complaint to this service. Mr C has asked to be compensated 8% interest on his pro-rata annual fee refund. To award 8%, I'd need to be satisfied that he's lost out by not having the refund returned sooner. And on balance, I can't say this is the case. Therefore, I won't be awarding 8% interest.

Putting things right

If they haven't already done so, I'll be directing Creation to refund the unused part of the annual fee.

My final decision

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

- Pay Mr C £62.65

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 August 2023.

Sharon Kerrison
Ombudsman