

## 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 caused to him.

## 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.

On 30 September 2021 Creation sent a letter to Mr M informing him that his credit card account would be closed on 3 December 2021. They later informed Mr M that 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 thought they'd acted fairly in closing his account, not refunding the annual fee, crediting the points or the free night stay voucher.

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

After Mr M's complaint was brought to our service Creation made an offer. They offered Mr M a pro-rata refund of his annual fee, the uncredited points and the free night stay voucher.

Mr M didn't accept the offer. He complained that he'd lost out on the opportunity to use his card during the notice period. Mr M advised he phoned Creation on 3 November 2021 to ask if he'd earn points during the notice period – and they advised him he wouldn't. So he stopped spending on the card. And he also argued he was disadvantaged by not being able to use the voucher for stays he'd booked. Overall, he thought £500 was fair compensation.

One of our investigator's looked into Mr M's complaint and thought Creation needed to do more. She acknowledged that the voucher and the points had already been awarded to Mr M. But she thought Mr M should be awarded additional compensation. She thought Creation misadvised Mr M over the phone and he'd not been able to make full use of the card during the notice period. Due to the late awarding of the voucher he'd also missed out on using it for a hotel stay he'd booked. She recommended that Creation, pay the pro-rata annual fee and an additional £100 compensation.

Creation didn't accept our investigator's recommendation – in response Creation argued they'd offered to issue points, the voucher and a pro-rata refund of the annual fee and this was sufficient compensation.

Mr M accepted our investigator's recommendation, but had some additional points he wanted considered, including:

- The inconvenience in not being able to use the voucher in March 2023 is worth more

than £100.

- The 15 month delay in Creation awarding his points, the voucher and pro-rata refund caused him inconvenience.
- Bringing the complaint to our service caused him inconvenience.

As Creation didn't accept our investigator's response, it's been referred 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. The terms explain that Creation can close an account for any reason by giving 60 days' notice. I understand this is disappointing for Mr M however, by providing the full notice period here I can't say Creation have acted unfairly

#### *Withholding of points, the free night stay voucher and annual fee*

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 his account. But, I'm pleased to see that they've now agreed to rectify this.

Mr M informed our investigator that he contacted Creation on 3 November 2021 during which he was advised he wouldn't earn points in the notice period. And therefore he stopped spending on the card. Creation haven't disputed this claim, so I think on balance this likely happened as Mr M described. I've thought about Creation's actions, and Mr M's argument. I agree that Creation misinformed him and Mr M was caused inconvenience in not spending on his card and earning additional points.

Mr M's provided evidence that in March 2023 he stayed in a hotel where, if he'd been awarded the voucher at the correct time, he'd have been able to use it to pay for a free night's stay. I've considered the evidence Mr M's provided, and I agree he was inconvenienced by Creation's failure to correctly award him the free night stay voucher nearer the time of his credit card being terminated.

I've thought about Mr M's response to the view. He's argued that he experienced inconvenience in bringing a complaint to our service and the delay in Creation awarding his points, voucher and pro-rata fee. I've considered Mr M's additional points however our service doesn't award compensation for the inconvenience caused in raising a complaint – and I'm satisfied the inconvenience he's experienced in Creation's failure to initially award him the points, voucher and pro-rata refund is fairly compensated by £100.

### **Putting things right**

I'm satisfied that Mr M has suffered additional inconvenience in being unable to use the free night stay voucher in March 2023, and being misinformed about his ability to earn points during the notice period. I think Creation should pay him an additional £100 compensation for the impact caused.

### **My final decision**

My final decision is I uphold Mr M's complaint and direct Creation Financial Services Limited to:

- Pay Mr M £100 compensation for the inconvenience caused
- Pay Mr M £29.84 for the unused part of the annual fee

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 September 2023.

Jeff Burch  
**Ombudsman**