

## **The complaint**

Mr V complains that Creation Financial Services Limited unfairly closed his credit card account, which meant he missed out of the rewards associated with the account.

## **What happened**

Mr V had a credit card with Creation, that conferred various awards such as reward points and a voucher for a free night's hotel stay. In late 2021 Creation took the decision to close Mr V's account, and withdraw the rewards offered. Mr V complained, but Creation didn't think they'd done anything wrong.

Unhappy with this Mr V referred the complaint to our service. Creation then made an offer to credit his reward account with the points accrued, offer a pro rata refund of the account fee and give him his free hotel voucher. Mr V initially declined this, but Creation credited the points and voucher to his reward account anyway.

Mr V did not find this out until one of our investigators looked into what happened two months later. He said the voucher was only valid for 12 months, so he had a shorter opportunity to make use of it. Our investigator agreed, but Creation confirmed the voucher couldn't be extended. Our investigator recommended Creation pay Mr V £50 in recognition of the inconvenience this would cause, along with their initial offer.

This was accepted by Mr V, but Creation didn't agree. As no agreement could be reached 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.

Firstly, I'm aware Mr V has accepted the investigator's opinion so the right to close his account doesn't appear to be in dispute. But for clarity's sake, I'm satisfied that Creation gave Mr V the correct notice before closing his account as per the terms. I don't see that Creation have been unreasonable in the decision to close his account.

But it's right that Creation honour the reward points accrued – and I'm glad to see that they've now done so. And as Mr V only had a partial year's use of the account it's right that he receive a pro rata refund of the account fee. Mr V has accepted this.

The free night voucher has already been credited to Mr V's reward account, although I've not seen anything to show Mr V was made aware of this at the time. The voucher is time-limited, and Creation have confirmed that Mr V's voucher can't be extended, nor can he be issued a new one. I broadly agree with his point that he's potentially lost out on around two months he could have made use of it. But I've also taken into account that he does have some considerable time to make use of the free night.

Overall, I'm satisfied that it's right Creation pay Mr V some compensation to reflect the frustration and inconvenience not telling him would have caused. The impact is not significant, but it could have been avoided if Creation had communicated with him. On that basis I see £50 as a suitable award.

### **My final decision**

My final decision is that I uphold this complaint, and in addition to the points and voucher already awarded Creation Financial Services must:

- Provide a pro rata refund of the account fee of £62.65
- Pay Mr V £50 compensation for the lack of communication about the voucher

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 27 September 2023.

Thom Bennett  
**Ombudsman**