

The complaint

Mr I complains that Creation Financial Services Limited closed his account without explanation and didn't credit his reward points. He'd like his benefits credited and compensation for the impact.

What happened

Mr I had a rewards club credit card account with Creation. The card included the ability to earn reward points, which could be redeemed for hotel stays or experiences. In late 2021, Creation sent Mr I 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.

Mr I complained to Creation. But Creation didn't uphold his complaint. They said they acted fairly in closing Mr I's account, and not crediting the points. Mr I was unhappy with Creation's response and brought his complaint to our service.

After Mr I brought his complaint to our service Creation made an offer to resolve Mr I's complaint. They offered Mr I the points not credited. Mr I didn't accept the offer as he didn't think the offer went far enough to put things right.

One of our investigator's looked into Mr I's complaint and thought Creation's offer was fair. Mr I disagreed. He said that Creation needed to do more and haven't offered compensation for the time, hassle and inconvenience caused and having to raise a complaint with our service. He also wants Creation to explain why it no longer wants him as customer and closed his account.

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

I understand that Mr I wants Creation to explain the reason it closed his account. It can't be pleasant being told you are no longer wanted as a customer. But Creation is under no obligation to tell Mr I the reasons behind its decision to close his account, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr I this information. And it wouldn't be appropriate for me to require it do so.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive

information. Some of the information Creation has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr I, but I'd like to reassure him that I have considered everything.

I know Mr I is upset that Creation closed his account. 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 I's account. I've reviewed the terms and they explain that Creation can close an account for any reason by giving 60 days notice. Having looked at all the information available to me, including Creation's actions and the information it's provided I'm satisfied that Creation's decision to close Mr I's account was reached legitimately and fairly. I've reviewed the terms and conditions and circumstances of this complaint, and I'm satisfied Creation acted in line with them, so, it was entitled to close the account as it has already done. I appreciate this is disappointing for Mr I however, Creation have provided Mr I with the full notice period, so I can't say Creation have acted unfairly in taking the actions it did.

withholding of points

Creation have offered to reimburse Mr I's points. I'm satisfied that Creation shouldn't have deprived Mr I of access to the points, when initially closing the account. But I'm pleased to see that they have now agreed to rectify this. I know Mr I wants more points, but I think the offer is fair, and puts Mr I back in the position he would have been in. So, I won't be asking Creation to award Mr I more points than he is entitled to, which has been calculated based on the spending on his account.

Mr I 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. He's said he has waited a long time for things to be sorted out and had to go to the trouble of opening another credit card. He's also referred to a number of other complaints made by a number of individuals about the same issues.

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 I has asked to be compensated for the time he's had to wait for his complaint to be resolved. But I'd need to be satisfied that he's lost out by not having his points returned sooner. And on balance, I can't say this is the case. Therefore, I won't be awarding any further compensation.

I acknowledge Mr I's comments about other individuals who have made similar complaints about Creation. But I can't comment on those. This decision has focussed solely Mr I's complaint. And each complaint is considered on its own individual merits.

My final decision

My final decision is that if it hasn't already done so, to put things right, Creation Financial Services Limited should refund Mr I's points to his account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 26 September 2023.

Sharon Kerrison
Ombudsman

