

The complaint

Mr G complains that Creation Financial Services Limited unfairly 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 and time taken to resolve the issue.

What happened

Mr G 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 September 2021, Creation sent Mr G 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 G complained to Creation about the closure of his account. Creation didn't uphold his complaint. They said they acted fairly in closing Mr G's account, not refunding the annual fee, crediting the points or the hotel voucher. Mr G wasn't happy with Creation's response and brought his complaint to our service. He said that he'd spent enough on his card to be entitled to two hotel vouchers, between 2020 and 2022. He also said that he wanted the points he was owed and compensation.

After Mr G brought his complaint to our service Creation made an offer to resolve Mr G's complaint. They offered Mr G a pro-rata refund of his annual fee, and the points not credited. Creation also offered Mr G a free night voucher based on his spending for 2020-2021. It didn't offer him a voucher for 2021 – 2022 because it said Mr G hadn't spent enough on his card to qualify for one.

Mr G didn't accept the offer. He pointed out that Creation hadn't offered compensation for the time, hassle and inconvenience caused and having to raise a complaint with our service. And having to wait to be refunded the account fee and awarded his points. Mr G also said he had spent enough on his card – over £10,000, to be entitled to a second hotel voucher.

One of our investigator's looked into Mr G's complaint. The investigator asked Mr G to provide evidence that he would have met the threshold required to get the second voucher. In response, Mr G provided some screenshots of his account which he said showed he should have received two hotel vouchers because he had spent the required amount on his card. The investigator also asked Creation for a breakdown of Mr G's spending and checked whether Mr G was entitled to two vouchers instead of one based on his spending.

Creation responded and said that Mr G's spend was as follows:

- 27 November 2020 – 27 November 2021 - £70,432.85
- 27 November 2021 – 27 November 2022 £2,052.10

Creation explained that although Mr G believed he'd spent just over £10,000 during the last year he had his account, this was split into two anniversary dates (as above). So it said Mr G didn't qualify for another voucher from 27 November 2021 until his account was closed as he'd only spent just over £2,000. Creation confirmed that it was happy to issue Mr G with a voucher for the period 2020 – 2021, a pro- rata refund of his account fee and his points, which it said had added to Mr G's IHG account in April 2023.

The investigator reviewed all the evidence and said that Creation's offer was fair and reasonable. Creation accepted the investigator's recommendations. Mr G disagreed. He said Creation hadn't done enough to put things right and should compensate him for having to spend time and effort chasing Creation and following up his complaint. And being without his points for so long. He also maintained that had had met the threshold to be eligible for a voucher for the period between November 2021 and when his account was closed.

As no agreement could be reached the matter came 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.

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 G, but I'd like to reassure him that I have considered everything.

Account closure

I understand that Mr G is unhappy Creation closed his account, it can't be pleasant being told you are no longer wanted as a customer. 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 G'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 G'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 G however, Creation have provided Mr G with the full notice period, so I can't say Creation have acted unfairly in taking the actions it did. I've considered whether Creation need to offer any compensation in regard to the closure. But from what I've seen the decision to close was reasonable. So, I won't be directing Creation to do anything more.

Annual fee, withholding of points and hotel voucher

Creation have offered to reimburse Mr G's points and provide him with a pro rata refund of the £99 account fee. I'm satisfied that Creation shouldn't have deprived Mr G of access to the points, and refund when initially closing the account. But I'm pleased to see that they have now put this right. I understand that Creation has already reimbursed Mr G his points in

April 2023. But Mr G is still awaiting his annual fee refund and his hotel voucher. I note that Creation has agreed to pay Mr G a pro-rata refund of his annual fee, but I will make an award in that sum, of £5.15, and also direct Creation to issue Mr G with his voucher for the period covering 2020 - 2021, so that Mr G can enforce it should he need to do so.

Mr G says that Creation haven't done enough to put things right. In particular, he's said that although Creation has now provided him with his points it has taken a long time for this to happen. I appreciate Mr G will likely be frustrated by the delay in the reward points being added to his account, but I think by adding them Creation have returned him to the position he would have been in otherwise. So, I'm satisfied they don't need to do anything further than that to resolve this aspect of Mr G's complaint.

Mr G says he is entitled to another voucher on top of the one he's now been offered by Creation. He's said this is because he spent the required amount, of £10,000, since his account anniversary, which is 27 November each year. And he's provided me with screenshots of his account to support what he's said. He says this shows as of December 2021 he'd spent just over £10,020. I've considered the information Mr G has provided. I've also looked at the terms and conditions of the account and the statements of Mr G's account to see if, as Mr G submits, he did qualify for another voucher.

The terms state, *'If you spend £10,000 or more on purchases during the year (not including refunds, reversals, or charge backs) by the anniversary of the date your IHG Rewards Club premium Credit was issued, you will receive an Anniversary Night Voucher.'* So, this means that between 27 November 2021 and when Mr G's account closed on 3 December 2021 Mr G would had to have spent at least £10,000 to qualify for a hotel voucher. But from looking at Mr G's statements, he spent much less than this - £2,052.10 to be exact. This means Mr G didn't qualify for the voucher, as he believes, so he's not entitled to one.

Finally, Mr G 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 and been caused inconvenience by not having his complaint resolved sooner. And on balance, I can't say this is the case. Therefore, I won't be awarding any compensation.

I should also 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.

My final decision

My final decision is that I uphold this complaint. To put things right Creation Financial Services Limited should:

- Provide Mr G with his hotel voucher for the period 2020 – 2021
- Pay Mr G £5.15

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 October 2023.

Sharon Kerrison
Ombudsman