

The complaint

Miss C complains that Creation Financial Services Limited unfairly closed her account, didn't credit her points, a free night stay voucher or refund the annual fee. She also says Creation gave her misleading information during a phonecall. She'd like her benefits credited and compensation for the impact and time taken to resolve the issue.

What happened

Miss 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 September 2021, Creation sent Miss C a letter informing her that her credit card account would be closed in December 2021. And they wouldn't be crediting her the points for the last statement period, her free night stay voucher or a refund of the unused annual fee.

On receiving the letter, Miss C contacted Creation. She told Creation that she was unhappy about her account being closed and told them that she had always used her account properly and wanted the benefits associated with her account. Miss C says the advisor told her that she would still receive her award points on any spending she did and her free night certificate if she qualified for one. And that she wouldn't be charged the annual fee. However, following this call, Miss C noticed on her account statement that Creation had charged the fee to her account, in November 2021. So, Miss C contacted Creation again and this time it told Miss C that the information she'd been given when she first contacted Creation was incorrect.

Miss C complained to Creation about the closure of her account. Creation didn't uphold her complaint. They said they acted fairly in closing Miss C's account, not refunding the annual fee, crediting the points or the hotel voucher. Miss C wasn't happy with Creation's response and brought her complaint to our service. She said that had Creation given her the correct information about the account fee she would have closed her account to avoid being charged the £99 fee. She also said that she would have ensured she spent the required amount of money to meet the threshold to receive the free night voucher.

After Miss C brought her complaint to our service Creation made an offer to resolve Miss C's complaint. They offered Miss C a refund of her annual fee, and the points not credited, which were earned during the notice period. Creation didn't offer Miss C a free night voucher as based on her spending she didn't qualify to receive one.

Miss C didn't accept the offer. She 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 her points. Miss C also said if Creation hadn't misadvised her she would have carried on using her card to get her voucher. Miss C has told us that she normally used her voucher at the same hotel, which cost £650 a night. So she says she lost out and Creation should provide her with a voucher.

One of our investigator's looked into Miss C's complaint. He asked Creation for a recording of the phone conversations Miss C had with Creation where she was given information about her account closure and benefits. But it wasn't able to provide this. The investigator also asked Miss C to provide evidence that she would have met the threshold required to get the voucher. In response, Miss C said that she would have changed her spending habits and explained that she paid bills using the card so would have met the required spend. She also provided some paperwork to support this – her council tax and other utility bills.

In the absence of the phone recordings the investigator thought what Miss C had said about the calls was more likely than not correct. However, he didn't think this had caused Miss C any detriment because, based on the evidence, he thought it unlikely Miss C would have been able to spend £10,000 in a couple of months before her account was closed. So he said Creation had done enough to put things right.

Creation accepted the investigator's recommendations. Miss C disagreed. She said Creation hadn't done enough to put things right and should compensate her for having to spend time and effort chasing Creation and following up her complaint. And being without her account fee refund and points for so long. She maintained that had she known her points would be credited to her account she would have met the threshold to get a free voucher.

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

Account closure

I understand that Miss C is unhappy Creation closed her 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 Miss C'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 Miss C'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 Miss C however, Creation have provided Miss C 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.

Annual fee, withholding of points and hotel voucher

Creation have offered to reimburse Miss C's points, and refund Miss C's £99 account fee. I'm satisfied that Creation shouldn't have deprived Miss C 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 Miss C her points in April 2023, and her annual account fee in November 2021.

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

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.

Miss C has asked to be compensated for the time she's had to wait for her complaint to be resolved. But I'd need to be satisfied that she's lost out and been caused inconvenience by not having her complaint resolved sooner. And on balance, I can't say this is the case. Therefore, I won't be awarding any compensation.

I've considered what Miss C had said about the hotel voucher - that she was given misleading information by Creation which meant she lost out on being able to meet the threshold spending to qualify for a free night certificate. It's unfortunate that due to the time that has now passed, Creation is unable to provide recordings of the conversations it had with Miss C. In the absence of any other evidence to contradict what Miss C has said, like the investigator, I think it is fair to rely on Miss C's comments.

Having looked at the circumstances of this complaint, I'm not satisfied that Creation providing Miss C incorrect information led to her suffering any detriment. I say this because having looked at Miss C's account statements I can't see that her spending increased in October through to November 2021, when she was under the impression that despite being in a notice to close period, her spending would continue to attract award points. I've also looked at the paperwork Miss C provided to the investigator and having done so I can't see that paying the bills with her Creation account would have meant she met the £10,000 threshold required to get a free night voucher. So when I weigh everything up I think it is unlikely Miss C would have been able to qualify for a free night voucher.

My final decision

My final decision is that I don't require Creation Financial Services Limited to do anything more to resolve Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 12 October 2023.

Sharon Kerrison
Ombudsman