

The complaint

Mr R 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 and time taken to resolve the issue. Mr R is also unhappy about the way Creation spoke to him during a phone call.

What happened

Mr R 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 late 2021, Creation sent Mr R 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 R complained to Creation. He said that when he called Creation, the advisor suggested he had misused his account, which he found insulting and a slight to his character. He said he hadn't breached the terms of his account and had always used the account properly.

Creation didn't uphold his complaint. They said they acted fairly in closing Mr R's account, not refunding the annual fee, crediting the points or the hotel voucher. Mr R wasn't happy with Creation's response and brought his complaint to our service.

After Mr R brought his complaint to our service Creation made an offer to resolve Mr R's complaint. They offered Mr R a refund of his annual fee, the points not credited and the free night stay voucher.

Mr R didn't accept the offer. He complained that Creation haven't offered compensation for the time, hassle and inconvenience caused and having to raise a complaint with our service. Mr R also said he wasn't able to use his voucher when he booked hotels in 2022. So he lost out as he had to use cash instead to pay for his accommodation.

One of our investigator's looked into Mr R's complaint. He asked Creation for a recording of the phone conversation Mr R had with Creation about how he was using his card. But it wasn't able to provide this. In the absence of any evidence to the contrary, the investigator thought Creation needed to do more. The investigator said that as well as offering to refund the annual fee, points and free night stay voucher, Creation should pay Mr R £50 compensation for the upset caused by Creation's comments about how Mr R was misusing his account.

Creation accepted the investigator's recommendations. Mr R disagreed. He said Creation hadn't done enough to put things right and should compensate him for not being able to use his free night stay voucher when he booked hotels in 2022. He also wants compensation for the inconvenience of him having to spend time and effort chasing Creation and following up his complaint.

As no agreement could be reached the matter came to me to decide and I issued a provisional decision in which I said the following;

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 R's account. I have reviewed the terms and they explain that Creation can close an account for any reason by giving 60 days notice. I appreciate this is disappointing for Mr R however, Creation have provided Mr R with the full notice period, so I can't say Creation have acted unfairly when it closed Mr R's account.

Annual fee, withholding of points and hotel voucher

Creation have offered to reimburse Mr R's points, award him the free night stay voucher and refund Mr R's £99 account fee. I'm satisfied that Creation shouldn't have deprived Mr R of access to the points, voucher and refund when initially closing the account. But I'm pleased to see that they have now agreed to rectify this. I understand that Creation has already reimbursed Mr R his points, voucher, and annual account fee.

Mr R 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 hotel voucher, it's has taken a long time for this to happen. So he wasn't able to use his free night voucher when booking hotels between March and May 2022. Mr R has provided evidence to this service that he would have used his voucher on trips, had it been available to him. So I'm satisfied that he lost out on the opportunity of using his voucher and was inconvenienced. Taking this into account, I'm minded that Creation should pay Mr R compensation. I'm satisfied that £50 compensation is a fair amount of compensation and proportionate to the trouble and upset Mr R was caused by not being able to use his free night voucher.

I appreciate Mr R 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 R'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.

Finally, Mr R says he was upset by comments made by Creation during a phone call. He's explained that comments made by the advisor implied he'd been misusing his account which he took as a slight on his character. Unfortunately, a recording of this call has not been provided by Creation. In the absence of any other evidence to contradict what Mr R has said, like the investigator, I think it is fair to rely on Mr R's comments. The investigator thought that Creation should pay Mr R £50 compensation for the upset he was caused. Creation has accepted this recommendation. I think this is a fair and reasonable way to resolve this aspect of Mr R's complaint so I won't be asking it to do anything more.

Putting things right

To put things right, I'll be directing Creation to pay Mr R a total of £100 compensation for the trouble and upset of not being able to use his free night voucher and having his character questioned during a phone call with Creation about how he was using his account.

Creation accepted my provisional decision. It confirmed that Mr R was eligible for a free night voucher. And that it was happy to issue this to Mr R along with his outstanding hotel points if Mr R agreed.

Mr R responded and said it hadn't yet received his hotel voucher or points. And was happy to accept both along with the compensation recommended in the provisional decision to resolve his complaint.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

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 thank both Creation and Mr R for their responses and for clarifying that Mr R is still awaiting to receive his hotel voucher and points. Based on the information I'd previously reviewed it appeared that Mr R had already received these, which wasn't correct.

I note that Creation has confirmed Mr R is eligible for a hotel voucher and agreed to provide this to him together with his outstanding points and the compensation recommended in my provisional decision. So that Mr R can enforce it should he need to do so, I will make an award in this regard.

Having reviewed all the evidence, I see no reason to depart from my provisional findings. I remain of the view that this complaint should be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

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

- Pay Mr R a total of £100 compensation for the trouble and upset caused by not being able to use his free night voucher and comments made during a phone call about how Mr R was using his account.
- Credit Mr R's IHG account with his outstanding award club points
- Provide Mr R with his hotel voucher

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 October 2023.

Sharon Kerrison
Ombudsman