

The complaint

Ms K 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'd like her benefits credited and compensation for the impact and time taken to resolve the issue.

What happened

Ms K 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 Ms K 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.

Ms K complained to Creation about the closure of her account. Creation didn't uphold her complaint. They said they acted fairly in closing Ms K's account, not refunding the annual fee, crediting the points or the hotel voucher. Ms K wasn't happy with Creation's response and brought her complaint to our service. Ms K said she accepted Creation could close her account, however, at no point did Creation inform her of its intention to withhold the card benefits. Instead, she says Creation continued to advertise and promote the benefits on statements she received after the notice to close letter had been issued, which Ms K says was deliberately misleading.

After Ms K brought her complaint to our service Creation made an offer to resolve Ms K's complaint. They offered Ms K a refund of her annual fee, the free night voucher and the points not credited, which were earned during the notice period.

Ms K said the offer lacked detail so she 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. Ms K also argued that the value of the points and voucher were now worth less, so she is worse off. To put things right she wants Creation to award her another voucher and more points.

One of our investigator's looked into Ms K's complaint. The investigator reviewed all the evidence and said that Creation's offer was fair and reasonable. Creation accepted the investigator's recommendations. Ms K disagreed. She said Creation hadn't done enough to put things right and should compensate her for having to spend time and following up her complaint. And being without her account fee refund, voucher and points for so long. 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 Ms K, but I'd like to reassure her that I have considered everything.

Account closure

I understand that Ms K is unhappy Creation closed her 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 Ms K'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 Ms K'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. Creation have provided Ms K 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

Ms K says Creation gave her misleading information because it actively promoted the benefits associated with her card, and then didn't provide them when it decided to close her account. Creation have offered to reimburse Ms K's points and offered to pay a pro rata refund of Ms K's £99 account fee, which amounts to £46.65. I'm satisfied that Creation shouldn't have deprived Ms K of access to the points, hotel voucher and refund when it closed her account. But I'm pleased to see that they have now put this right. I understand that Creation has already reimbursed Ms K her points in April 2023 along with her free hotel voucher. But Ms K is still awaiting her annual fee refund. I note that Creation has agreed to a pro-rata refund of Ms K's annual fee, but I will make an award in that sum, of £46.65, so that Ms K can enforce it should she need to do so.

Ms K 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 hotel voucher it has taken a long time for this to happen. She's said because of the delay the cost of accommodation has gone up and value of the points depreciated. So, she's lost out. I appreciate Ms K will likely be frustrated by the delay in the reward points being added to her account and issuing her a voucher, but I think by adding them and providing Ms K a voucher 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 Ms K's complaint.

Ms K 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 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

For the reasons I've explained, my final decision is that I uphold this complaint. To put things right Creation Financial Services Limited should:

- Pay Ms K £46.65

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 31 October 2023.

Sharon Kerrison
Ombudsman