

The complaint

Mrs H complains Creation Financial Services Limited (“Creation”) closed her account without providing her with proper notice.

What happened

In January 2025, Creation closed Mrs H’s credit card account. Mrs H said she received no notice of this, but Creation said they’d sent an email of notice in November 2024.

Mrs H was unhappy – she said she requested proof they’d sent notice, but the letter they shared had no address and no name, so she didn’t believe it was actually sent to her. She feels they’ve closed the account because she paid it off in full in November 2024.

Creation issued a final response letter in February 2025. They explained that they are withdrawing from the credit card market and are no longer offering the product. They apologised to Mrs H for not receiving the notification, but they were satisfied it was sent to the correct details, and they’d followed their correct processes.

An Investigator at our service looked into the complaint. While they acknowledged it was fair for Creation to close the account, having reviewed the notes Creation held about Mrs H, it was clear her communication preferences were set to post and not to email. Because of this, they felt Creation could’ve done more to make Mrs H aware of the upcoming closure. They recommended £75 distress and inconvenience to be paid to Mrs H.

Creation agreed with the Investigator’s opinion, but Mrs H didn’t. She’s asked for double the amount of compensation – and increase to £150.

Because an agreement couldn’t be reached, the complaint has been passed 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.

Having done so, I’ve reached the same conclusion as the Investigator. I appreciate this will likely be disappointing for Mrs H, but I’ll explain my reasoning below.

I won’t go into significant detail about what’s gone wrong as everyone accepts what’s happened here. That is, Mrs H didn’t receive the initial closure email, her communication preference is post, and Creation are unable to demonstrate that a letter was sent via post notifying Mrs H that the account was being closed.

What I need to consider is the impact of this on Mrs H, and whether the £75 compensation already suggested and agreed to by Creation is a fair reflection of that impact.

At the time the account was closed, Mrs H didn't have a balance on the credit card. So, there's no indication she was using the card for essential bills, and there's no impact to her credit file, as the account was closed with a zero balance.

I've thought about Creation's reasons for closing the account and if, in any way, they've been unfair to Mrs H. But Creation no longer wishes to offer credit cards as a product. And so, I can't say they've been unfair by changing their product offering. This will have been the case for many customers, it's not something that's exclusive to Mrs H.

Our approach to compensation is set out on our website, but in summary, it explains we generally look to put customers back in the position they would've been in had the error not taken place.

In this case, Creation should've sent Mrs H a closure letter by post and not email, and as a result Mrs H would've had more notice that her account would be closed. But the notice was still sent to Mrs H's correct contact details. And because the closure wasn't as a result of her account management, it was because Creation no longer wishes to offer credit cards the outcome would always be the same – the account was always going to be closed.

I understand Mrs H's strength of feeling on this matter, particularly as she had the card with Creation for such a long time. However, having considered everything, I think £75 is fair compensation for the distress and inconvenience caused.

Putting things right

- Pay Mrs H £75 compensation to an account of her choice.

My final decision

It's my final decision that Creation Financial Services Limited should pay Mrs H £75 as compensation for distress and inconvenience caused as she didn't receive a closure notice by post.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 August 2025.

Meg Raymond
Ombudsman