

## **complaint**

Mr D's complaint is that Creation Financial Services Limited, ('Creation'), closed his credit card account without notice.

## **background**

When trying to activate an additional credit card for his wife, two weeks after it was received, Creation told Mr D his account had been closed. The closure had been effected the day after the card was ordered. Mr D had received no prior notice of the closure. When he had still not received any notice for over three weeks, Mr D wrote to complain.

Creation replied three weeks later confirming the closure. It also referred to the terms and conditions of the account that entitled it: to end the agreement (1) at any time on one month's notice or (2) at any time without notice where there is a nil balance on the account and the card had not been used for 12 months. In a later letter, the bank said that the account had been closed in line with its terms and conditions and that no notice had to be given.

Following our involvement, Creation told us that there was something adverse on Mr D's credit file which made it think that the account was at risk. Where this opinion is reasonably held, a further term, referred to by the bank, permits it to take steps necessary to restrict or defer the right to use the card. However, written notice of this should be given as soon as possible.

The adjudicator concluded that Creation had not supplied any evidence to show that no notice of the account closure was required under its terms and conditions. Accordingly he recommended that it pay Mr D £200 for distress and inconvenience.

Creation disagreed and said that, as a responsible lender, it was necessary to close the account. As Mr D's credit score had changed the bank said it could end or restrict the use of the card without notice. The bank did not feel that compensation of £200 was warranted. Instead it offered £75 as a gesture of goodwill because of the frustration that may have been caused by the closure so soon after Mr D's wife card was issued. Mr D did not accept this offer.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I find that Creation certainly had the right to close Mr D's account. I also find that its terms and conditions do allow closure without any notice at all in certain circumstances. However I do not find that it has supplied any evidence to demonstrate that these circumstances applied in this case. Mr D's wife was about to travel soon after the additional card in her name was issued. I am satisfied that the withdrawal of the use of the card without notice caused Mr D distress and inconvenience in having to make alternative arrangements for his wife at short notice. I agree with the adjudicator that an award of £200 is fair and reasonable in these circumstances

**my final decision**

My decision is that I uphold this complaint and order Creation Financial Services Limited to pay Mr D £200 for distress and inconvenience.

Ros Barnett  
**ombudsman**