

complaint

Mr G complains that Creation Financial Services Limited ("Creation") has not honoured an agreement to provide a free night accommodation when he reached the requisite spending level on a branded credit card provided by them.

background

I issued my provisional decision in November 2018. I explained why I wasn't planning to uphold Mr G's complaint. An extract of that provisional decision is set out below:

Creation took over as Mr G's favoured hotel rewards club credit card provider in April 2017. Mr G used to have a hotel rewards credit card with a company I'll call X but changed to Creation when X stopped managing it and Creation took over.

He took out a "rewards club premium" credit card and agreed to pay an annual fee of £99. An attractive benefit of the scheme for Mr G was that if his spend on the card reached £10,000 he could qualify for a free night accommodation with the hotel chain. But Mr G was disappointed to find that Creation's application of this benefit was different from the way X had applied it. Under this scheme he could only benefit from the free night once a new year had started and he'd paid a further £99 fee and not at the point at which his spend reached £10,000. He said this wasn't made clear to him at the start and he asked Creation to refund his annual fee or provide the free night early.

Creation said that the terms and conditions Mr G signed in April 2017 explained that the free night wouldn't be provided until the new year began, so they didn't think they'd done anything wrong.

But Mr G was dissatisfied and he referred his complaint to this service and our investigator took a look. He agreed with Mr G. He noted that the terms and conditions said that the account would have to be "active" on the anniversary of the account opening and this, in effect, meant that Mr G would have to pay an additional annual fee before he could get his reward night. The investigator didn't think this was fair so he suggested Creation should refund Mr G's annual fee.

But they disagreed. They said the terms of Mr G's credit card were clear and that a free nights accommodation was only available if the spend level had been reached by the anniversary date of the agreement and if it was still active. So they couldn't see they'd done anything wrong. They were simply applying the terms of the agreement Mr G had entered into. So they asked for a final decision by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I don't currently agree with the investigator's view and I'm not expecting to uphold this complaint. I know that will disappoint Mr G but please let me explain.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on

board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When Mr G's previous credit card supplier stopped offering the card he swapped to a card provided by Creation and at that point he was asked to sign the new terms and conditions that related to this new card.

The terms said:

"On the anniversary of your account opening. So long as your account remains active. You will earn one free night voucher ... provided you make annual purchases totalling a minimum of £10,000".

So under this scheme Mr G wouldn't receive a free night until the year was up and he'd paid a new annual fee. I can understand that Mr G may have expected the terms provided by the old provider to be the same as those offered by the new provider but I can't see that was guaranteed or promised and as such I don't think there's evidence that Mr G was misled.

The investigator has explained that on their website Creation say one of the benefits of the card Mr G took out is:

"a free night voucher which you can use ... if you spend at least £10,000 every year by your anniversary"

He says this doesn't say that you have to wait until the anniversary to benefit from the free night and I agree. But I don't think these headline benefits have to document all the details behind the benefits. For example the headline doesn't explain how many hotels the voucher can be used at or at what locations. These conditions like those that apply to the free night are enlarged upon in the full terms that Mr G signed and had access to.

I think it's reasonable for Creation to expect consumers to look at the terms and conditions to understand how the benefits are applied and I don't think their explanation of how the voucher can be obtained is confusing. And for those reasons I don't think Creation has done anything wrong here.

Neither Mr G nor Creation provided any further comments so my provisional decision remains unchanged.

my final decision

For the reasons I've set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 January 2019.

Phil McMahon
ombudsman