

The complaint

Mr S complains that Creation Financial Services Limited blocked and closed his account without a reason. He'd like compensation for the way he was treated.

What happened

Mr S had an account with Creation. On 24 August 2021 He received a letter from Creation saying his account would close due to inactivity and Creation had placed a block on Mr S' card. Mr S hadn't used his account since March 2020. Mr S contacted Creation on 1 September 2021 – he was advised his account would be unblocked but he should use his card within 24 hours.

Mr S later received a letter dated 28 September 2021 giving him notice that his account would close on 3 December 2021.

Mr S was unhappy with this and complained to Creation. Creation said they were entitled to close the account as per the terms and conditions. They also said that they had higher than expected call volumes but had resolved Mr S's query when he called.

Unhappy with the response Mr S complained to our service. Mr S was concerned his account had been blocked and he hadn't been able to make payments online. He didn't think Creation had made themselves available to answer his queries, the letter gave an incorrect number, and his complaint wasn't fully addressed.

After Mr S brought the complaint to our service, Creation made an offer. Mr S rejected the offer he thought his complaint didn't relate to the general offers but was in relation to customer service issues he had encountered when dealing with Creation.

One of our investigators looked into the complaint. She thought the offer was fair. She also looked at the service issues Mr S had complained about. She thought Creation had responded to Mr S's concerns. She accepted Mr S had had to contact Creation, but she thought this was the normal degree of inconvenience when pursuing a complaint and didn't warrant compensation.

Mr S disagreed. he thought the recordings of his conversations with Creation should have been kept as this would evidence what had happened. He thought Creation had deliberately destroyed the evidence and in doing so had thwarted a fair process. He says Creation blocked his account before the closure, so he wasn't treated fairly.

As there was no agreement the matter has come 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.

Account Closure

Mr S received a notice to close the account dated 28 September 2021. It gave him 60 days' notice that his account would close on 3 December 2021.

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 S' account. The terms explain that Creation can close an account for any reason by giving 60 days' notice. I understand this is disappointing for Mr S however, by providing the full notice period here I can't say Creation have acted unfairly.

Account block

Mr S had said his account was blocked. And he called Creation on 1 September 2021. I can see from the system notes that Mr S was advised that his account had been unblocked and that he needed to spend some money online within 24 hours of the unblock in order to be able to continue to use his card.

Mr S received a text message advising him on 5 August 2021 that he needed to create a new online payment code (OPC) so as to be able to continue to shop online. An OPC is designed to help prevent fraudulent activity and is an additional security measure. Creation introduced this system and customers needed to enrol in order to continue to use their card. Creation have said Mr S was made aware that this needed to be set up.

Mr S has said despite the information given to him the functionality on his card was reduced. Mr S was concerned he hadn't been given correct information, so he raised a service complaint.

I have looked at the information provided to me regarding the account block. I'm satisfied that Creation acted fairly when they blocked the account. Also, I am satisfied that Mr S was given correct information regarding what he had to do to keep the account open. Looking at the information it appears Mr S didn't spend money online and this may be because he hadn't gone through the process of creating an OPC. This may well account for his loss of functionality on the card. However, this isn't something that Creation can be held liable for.

I can see he was able to make payments from 1 September 2021, so the card was usable in some circumstances.

Mr S has said he was given incorrect information regarding his need to use the card for a chip and pin transaction in order to activate the card. From what Creation have said to us it seems that Mr S did have to activate the card through chip and pin however I can understand that he may not have wanted to do so if he was shielding. I can't hold Creation liable for this though.

Phone calls to Creation

Mr S has said the phone number on the letter advising him to confirm he still wanted his account was wrong. I appreciate this meant he had to go on the website instead. But I'm satisfied Mr S found a way to contact Creation with an alternative number found on the website so I don't think this prevented him from resolving the issue although I understand it may have been annoying to Mr S.

Mr S has said he contacted creation 10 or 11 times. Mr S is unhappy that Creation have destroyed the evidence of the phone calls. I appreciate the frustration Mr S is feeling and he believes that had Creation kept the phone calls it would be clear that he had been treated unfairly.

The case notes which are contemporaneous suggest that Mr S phoned and his query was answered. He then didn't want to wait to speak to customer service team as there was a long wait. I can understand why he may not have wanted to wait. But it is to be expected that there will be busy times when phoning businesses and that of itself doesn't mean Mr S has been treated unfairly.

I appreciate that the phone calls not being available is frustrating to Mr S, but I can only look at what is available to me, and the phone calls recordings aren't available. Mr S thinks there is something sinister in the destruction of the phone records, but I disagree. From what is available before me I'm satisfied that Mr S was given correct information to solve his issue and he was told what to do to keep the card unblocked. So, I can't say that Creation have acted unfairly here. I also can't comment on whether an agent was dismissive of Mr S.

In summary, I know Mr S is unhappy with the customer service he received on the calls but the contemporaneous notes from Creation suggest Mr S was given correct information. Mr S hasn't been able to provide specific examples of what was said and by what agent. Even if I accept that Mr S didn't receive the best customer service on some of the calls, and I appreciate that this will have caused him frustration and inconvenience, I don't think this warrants compensation. I say this because I recognise that making any complaint will usually come with a certain level of frustration.

My final decision

For the reasons stated above I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 November 2023.

Esperanza Fuentes
Ombudsman