

The complaint

Mr S complains about the cashback amount paid on his Bank of Scotland plc trading as Halifax credit card.

What happened

Mr S has a credit card with Halifax that comes with a cashback facility based on card use. In July 2021 Halifax wrote to Mr S with details of an update to the credit card terms and conditions. The information provided included details of how much cashback Mr S could earn and limits that applied. Halifax gave the following information relating to cashback:

In any year, we will pay

- *0.5% of the value of the first £11,999 of purchases (£60)*
- *1% of all other purchases up to a maximum of £24,999.50 (£130)*
- *There is no rebate for purchases over £24,999.50*

Halifax sent Mr S monthly texts confirming the amount of cashback he'd earned, providing a running total for the year. In August 2022 Halifax sent Mr S a text message that said he had built up a cashback balance of £518.74. But in September 2020 it sent another text that said £190 cashback had been paid to the credit card which is less than Mr S was expecting.

Mr S raised a complaint but Halifax didn't offer agree it had made any mistakes. Halifax offered Mr S £40 to resolve his complaint.

Mr S referred his complaint to this service and it was passed to an investigator. Mr S provided copies of the text messages he'd received from Halifax that gave a running cashback balance. Our investigator thought Halifax's messages had caused some confusion regarding the amount of cashback Mr S would receive. Whilst they didn't ask Halifax to pay Mr S the remaining cashback balance, they recommended a payment of £100 for the distress and inconvenience caused. Halifax accepted but Mr S did not. As a result, Mr S' complaint has been passed to me to make a decision.

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've been reasonably brief in setting out the background above as all parties broadly agree concerning the overall timeline for Mr S' complaint.

Halifax has provided a copy of the correspondence it sent Mr S in July 2021 that confirmed revisions to its credit card terms and conditions. The update included details of limits Halifax introduced to cashback pay outs in any one year. I've given the maximum pay out figures above which mean there was a cashback limit of £190 in any one year. So whilst I understand why Mr S thought he would receive the full cashback balance built up, I'm

satisfied the terms confirm there is a maximum of £190 cashback available per year. And Halifax has complied with its terms when paying cashback to Mr S.

I can see Halifax sent Mr S monthly text messages confirming how much he'd earned in cashback and providing a running total. I can understand why Mr S was of the view the cashback would be payable in line with his running balance. And I can understand why he's disappointed to find out the terms limit cashback payments to £190. But as Mr S could never have earned more than the £190 cashback limit in any one year, I'm satisfied the payment he received is in line with the credit card's terms and conditions and that he's received the correct amount.

Halifax has already paid Mr S £40 as a gesture of goodwill after it responded to his complaint. Our investigator upheld Mr S' complaint and asked Halifax to pay him £100 for the distress and inconvenience caused. I appreciate that's less than Mr S was expecting to receive. But I'm satisfied that a payment of £100 reflects the level of distress and inconvenience caused and is a fair and reasonable way to resolve his complaint. As I'm satisfied the £100 settlement Halifax has agreed to make is fair and reasonable in all the circumstances I'm not telling it to take any further action.

My final decision

My decision is that I uphold Mr S' complaint and direct Bank of Scotland plc trading as Halifax to pay him a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 July 2023.

Marco Manente
Ombudsman