

The complaint

Mr S complains that he didn't get an account opening incentive award from Prepaid Financial Services Limited (PFS).

What happened

In June 2022, Mr S opened a British Airways Prepaid Mastercard. The card is run by PFS. As an opening incentive, 1500 Avios points were to be awarded for a spend of £500 – in the first 90 days. The spend was made within the 90-day period. The incentive wasn't credited to Mr S' Avios. Mr S was also charged fees of £5.37.

Mr S complained that he hadn't received the incentive award and had been charged fees – which wasn't in line with the account opening offer. He said the value of Avios points was £35.25. He said PFS took too long to deal with his complaint.

PFS said the fees were charged by Avios, not PFS. And the Avios bonus is issued by Avios, not PFS. But PFS refunded the fees.

Mr S brought his complaint to us. Our investigator said it was the responsibility of Avios to credit Mr S with the Avios points. PFS have no involvement in the process. The cash advance fees had been refunded – so that had been dealt with by PFS. Our investigator said PFS did take too long to deal with Mr S' complaint – it took three months from July 2022 to October 2022 to respond to. For that, he said PFS should pay compensation of £50.

Mr S didn't agree – he said that surely it was down to PFS to establish that he had qualified for the incentive and then advise Avios to credit the points. He reiterated that PFS seemed to place every obstacle in the way of resolving his complaint. He asked that an ombudsman look at his complaint, and so it has come to me to do that.

I made a provisional decision which said:

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

We asked PFS several questions about the relative responsibilities here. But without any satisfactory answers. They say it is down to Avios to credit the points to Mr S.

But here, I agree with Mr S – this was an incentive programme, and the incentive was offered by PFS, as the card issuer. The terms and conditions say, "*The British Airways Prepaid Mastercard is issued by Prepaid Financial Services Limited pursuant to a license from Mastercard International Incorporated*". So for me – it's clear that it was the responsibility of PFS to advise Avios that Mr S qualified for the incentive offer in order that the points were awarded to him. And in practical terms – as Mr S has argued – I don't see how Avios could know whether Mr S met the terms of PFS' offer or not – it was up to PFS to determine that. I can see that Mr S met the terms of the offer – as he did spend more than £500 in the first 90 days.

I could also see that initially, PFS said the card fees were charged by Avios – which also must have been an error. The fees were charged to Mr S' PFS Mastercard – i.e. by PFS. But – PFS did eventually refund the fees.

I can also see that PFS took three months to respond to Mr S' complaint. I don't think that was a reasonable thing to do. And I also noted that in their final response email, PFS didn't give Mr S referral rights to this service – which they should have.

Mr S says the Avios points were worth £35 – and showed us the evidence for that. So – PFS should pay this sum of money to him. And because of the slowness in responding to his complaint, I think it's reasonable that PFS pay a total compensation of £200 – to include the payment in lieu of the Avios points.

Responses to the provisional decision:

Mr S accepted the findings. PFS didn't respond.

I now need to make a final 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.

As Mr S accepted the findings; and PFS didn't respond, my final decision is unchanged from the provisional decision.

My final decision

I uphold this complaint. Prepaid Financial Services Limited should:

- Pay compensation of £200 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 August 2023.

Martin Lord
Ombudsman