

## **The complaint**

Mrs O and Mr O complain that HSBC UK Bank Plc (HSBC) didn't credit their reward points.

## **What happened**

Mrs O and Mr O took part in HSBC's Premier reward programme and as part of that, wanted to transfer their reward points to their British Airways account. On 19 December 2022, Mr O made three transfers of reward points – 198,000; 198,000 and 72,000 – to his BA account. As part of the reward programme, this translated into a total of 234,000 airmiles.

Mrs O and Mr O complained. They said the points hadn't been transferred and so the airmiles equivalent wasn't showing on the BA account. Therefore, they couldn't spend the points on BA tickets. They said they'd called HSBC four times and were told various stories. And they had called BA – who said the problem was with HSBC and not the airline.

Mrs O and Mr O say the problem was HSBC's to resolve and it was HSBC's systems that had failed - and held the bank responsible.

HSBC apologised to Mrs O and Mr O – as they'd had to contact HSBC several times and up to then (July 2023) hadn't had a satisfactory resolution. HSBC said the points transfer was made on 19 December 2022. There was a known problem as between Mastercard and BA whereby customer names with an additional character (as was the case with Mrs O and Mr O – there was an apostrophe) meant the points were not being credited to BA accounts. But as far as HSBC were concerned, they'd made the transfers and the problem lay outside the bank.

Mrs O and Mr O brought their complaint to us. Our investigator said he had learnt from HSBC that the problem lay with the third-party company which processed the transfers – that was where there was apparently an issue with Mrs O and Mr O's names.

But – he had then seen evidence that Mr O's BA account was credited with the airmiles on 19 December 2022. This was at odds with Mrs O and Mr O saying that they couldn't see the airmiles on Mr O's BA account after that time.

Our investigator asked Mrs O and Mr O for evidence that this was so - but unfortunately, they couldn't provide that. So, the available evidence suggested that HSBC made the transfers on 19 December 2022, and the problem lay outside HSBC.

He went on to say that there had been delays at HSBC in dealing with Mrs O and Mr O's complaint, and some wrong information given by the bank. For that, he said HSBC should pay compensation of £50.

HSBC accepted that, but Mrs O and Mr O didn't. They said the fault lay with HSBC. They said they were loyal customers of HSBC and the bank was responsible for the stress and time spent in trying to resolve matters. They asked that an ombudsman look at their complaint, and so it has come to me 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.

The transfer of reward points here is made by a third-party company. The programme rules say: *"The system for redeeming Points is managed by Mastercard and requests to redeem Points for airline miles or hotel points are processed by Kaligo Exchange Pte Ltd (trading as Ascenda)"*.

My role is to look at what HSBC's responsibility was in this case. And the important evidence is that HSBC showed us that on 12 July 2023, HSBC received confirmation from Ascenda that the transfers were made to Mr O's BA account on 19 December 2022. HSBC also showed us evidence that:

- HSBC transferred 468,000 reward points to BA in three transactions on 19 December 2022.
- three transactions totalling 234,000 airmiles was credited to Mr O's BA account on 19 December 2022 (the scheme ratio of points to airmiles being 2:1).

We have asked Mrs O and Mr O for evidence that this wasn't showing on Mr O's BA account after 19 December 2022. But unfortunately, they don't have that.

Therefore, based on the evidence I've seen, HSBC did what their role was – to make the transfers asked for by Mrs O and Mr O. If there was then a systems problem after that – I don't think I can reasonably hold HSBC responsible for that, as it was outside the bank's control.

In HSBC's final response, and in the information provided to us, the bank said there was a known problem with names containing an apostrophe. But the bank said that possible issue didn't lay with HSBC – it was as between Mastercard and BA. It's still not clear if that was, or wasn't, the cause of the problem – but I'm satisfied that even if it was, it was something outside HSBC's control, and not something I can reasonably hold the bank responsible for.

I can see that Mrs O and Mr O had to call HSBC several times and were given mixed messages as to what had happened. But equally, I can also see that HSBC were trying to get matters sorted out by asking questions of the processing partner in question. But I agree that because of the delays and lack of a timely resolution, HSBC should pay compensation of £50 – but to be clear, this is because of the need for Mrs O and Mr O to call HSBC a number of times and doesn't mean to say that HSBC were responsible or liable for any delays here.

I know Mrs O and Mr O want more than this but having reviewed what happened and what HSBC's responsibilities were, I'm satisfied this is a reasonable and fair outcome.  
(continued)

## My final decision

I uphold this complaint. HSBC UK Bank Plc must:

- Pay compensation of £50 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O and Mr O to accept or reject my decision before 20 May 2024.

Martin Lord  
**Ombudsman**