

The complaint

Miss M has private medical insurance cover with Vitality Health Limited. She complains that Vitality made an error recording her activity points, and that this affected her credit card cashback.

What happened

Miss M has private medical insurance cover with Vitality through her employer. As part of the policy, the 'Vitality Programme' is provided. This allows a member to earn activity points through activities such as exercise and healthy eating. Vitality has partnerships with third party companies, one of which is a credit card provider. Under that partnership, cashback is provided to Miss M based on the number of activity points achieved.

Miss M contacted Vitality as she thought she had missing activity points which had affected her cashback. Vitality realised that Miss M had received the wrong cashback amount in February 2023. This was due to an issue with the information sent through to it by the credit card provider. It offered Miss M £15 to cover any shortfall, as this was more than the maximum cashback she could have earned in that month. It also offered her £75 compensation for the error. Unhappy with this, Miss M brought a complaint to the Financial Ombudsman Service.

Our investigator didn't recommend the complaint be upheld. She thought the activity points recorded by Vitality matched the cashback percentages that Miss M had received. She said the information provided by Miss M wasn't the information that Vitality needed to calculate the points.

I issued a provisional decision on 12 April 2024. Here's what I said:

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

Vitality has confirmed the percentage of cashback available is based on the number of activity points achieved. I've set this out below.

0-39 points = 0%
40-79 points = 0.25%
80-119 points = 0.5%
120-159 points = 0.75%
160+points = 1%

This is known as Vitality healthy cashback booster, and can be earned on the first £1,000 of credit card purchases per month. This is separate to the cashback on spending offered by the credit card provider.

Miss M thinks the activity points recorded by Vitality are too low. She's provided some of her credit card statements which show the Vitality cashback booster received each month.

Vitality has provided me with Miss M's cashback history. It says the cashback calculation date is in the third month after the activity points month. So, if the activity points month was October 2023, then the cashback calculation date was 4 January 2024.

I've looked at some of Miss M's credit card statements, and it seems to me that the points Vitality has recorded for her don't always match with the Vitality cashback booster received. For example, Vitality initially told us that in March 2023, Miss M earned 33 activity points. As I understand it, that means she shouldn't have received any cashback in June 2023. Yet I've checked her credit card statement for this month, and I see she received 0.25% Vitality cashback.

Vitality has told me that it has recently collated information relating to Miss M's cashback, and missing points have now been added after the cashback calculation date. So it seems the information Vitality has previously given us about Miss M's activity points were wrong. It has provided me with amended data for the months March 2023, April 2023, May 2023 and July 2023. It says Miss M hadn't engaged with the Vitality app frequently enough for the data to be shared, and that it's Miss M's responsibility to do this. It's not clear to me if this is the reason why Vitality has now gone back and added the missing points. Vitality says it has worked out that it owes Miss M £12.50 for these months, and it has now paid this amount to her. I don't know why this wasn't done when Miss M raised the issue in July 2023.

Miss M has provided her own record of the points she's earned each month, and these are all higher than the points Vitality has recorded for her. As I understand it, that's because she's obtained that information from her smart watch which shows 'all recorded data'. Vitality says it can't accept 'all recorded data' as this apparently duplicates activity information from a watch and phone. I think that explanation is reasonable, and I understand that Vitality has previously explained to Miss M how to connect her device so that Vitality can obtain the correct number of points.

Having said that, as I've noted above, it seems that the points Vitality has recorded for Miss M don't always correlate with the cashback percentage paid by the credit card provider. I don't know who was at fault for that, or if Miss M has even suffered a financial loss. If the credit card provider was at fault, then I can't require them to put matters right under this decision (though Miss M could raise a separate complaint with them).

I think a reasonable way forward would be for Vitality to provide Miss M with more information about the points it has recorded for her each month, and the date when the cashback calculation ought to have been done. This should include where it has recently amended the points recorded for her. Miss M can then compare this information to her credit card statements in order to see whether the Vitality cashback booster was correct (taking into account that Vitality has now paid some of the missing cashback to her). Vitality should also check that it provided the credit card provider with the correct information about Miss M's monthly points. If it didn't do so, then I'd expect Vitality to reconsider what it has done to put things right.

I understand that when Vitality looked into Miss M's concerns about the points that were recorded for her throughout 2023, it noticed there was an error for the month of February 2023. Vitality has explained that was because it didn't receive any information from the credit card provider in that month. Although it added her points for that month, the points couldn't be backdated for cashback to be paid. It noted the maximum Miss M could receive in cashback in any one month was £10, and so Vitality offered her £15 to cover that month, as well as £75 compensation.

Miss M didn't accept Vitality's offer, though I understand Vitality has recently paid her the £15 anyway. I think Vitality's offer to put things right was reasonable here as £15 exceeded

the maximum cashback she could have received for February 2023.

Whilst I appreciate Vitality has offered Miss M £75 compensation for the issue with the February points, there is an ongoing issue with activity points not being recorded correctly. It appears that Vitality has taken some responsibility for that, as it has paid Miss M the cashback she should have received for March to July 2023. I intend to require Vitality to increase the compensation to £150 to reflect the inconvenience the matter has caused Miss M.'

I asked both parties for any further comments they wanted to make before I made a final decision.

Miss M responded to say she accepted my provisional findings. Though she wanted to point out that she doesn't own a smartwatch, and so the points recorded were done so through her phone only. Therefore, she says there wouldn't have been any issue with duplication of points.

Vitality responded to say it had no further information to provide.

As both parties have provided their responses to my provisional decision before the deadline I gave, I'll go ahead and make my 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.

Miss M explains that she doesn't have a smartwatch, and so there wouldn't have been any issue with duplication of points. So it seems Vitality's previous explanation that it can't accept 'all recorded data' from Miss M because of duplication wouldn't apply. Though I note that Vitality has also said that Miss M's device may not have been connected correctly for it to record the correct data. Vitality said this was Miss M's responsibility, but it's also the case that Vitality has gone back and added some missing points for her.

So I think the first thing to do is for Vitality to provide Miss M with the information it holds for the points recorded for her each month (as this information has changed since it last provided her with these details), as well as the date when the cashback calculation ought to have been done. If Miss M still thinks that Vitality has the wrong number of points recorded for her, she can discuss that with Vitality, and it can look into this for her in the first instance (taking into account that she doesn't have a smart watch).

As I said in my provisional findings, Vitality should also check that it provided the credit card provider with the correct information about Miss M's monthly points. If it didn't do so, then I'd expect Vitality to reconsider what it has done to put things right.

I remain satisfied that £150 compensation in total would be reasonable to recognise the inconvenience Miss M has been caused.

My final decision

My final decision is that I uphold this complaint. I require Vitality Health Limited to do the following:

- Provide Miss M with information about the points it has recorded for her each month (Miss M should confirm with Vitality how far she wants it to go back), and the date the

cashback calculation ought to have been done.

- Check that it has given the credit card provider the correct information in respect of Miss M's points over the same period. If not and it transpires that Vitality was at fault, it should reconsider whether the payments it has since made to Miss M are correct and reflected the cashback she should have been paid.
- Pay Miss M £150 compensation*.

*Vitality must pay the compensation within 28 days of the date on which we tell it Miss M accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 22 May 2024.

Chantelle Hurn-Ryan
Ombudsman