

The complaint

Mr G complains that Barclays Bank UK PLC trading as Barclaycard failed to honour a welcome bonus he says he was offered for opening a new credit card account.

What happened

Mr G opened a new credit card with Barclays in February 2024. At that time Barclays was offering an account opening welcome bonus of 25,000 Avios points when spending of £3,000 was added to the card in the first three months. Mr G checked whether he would be eligible for that incentive with Barclays, who confirmed it did apply to his account.

Mr G spent £3,037.57 on his card around two weeks after the account had been opened. But Barclays then told Mr G that he would not receive the welcome bonus points. It said that the terms and conditions of the offer made it clear that the bonus would not be offered if a similar bonus had been paid on a card account that had been closed in the previous two years.

Mr G complained to Barclays about what had happened. Barclays apologised for the incorrect information that Mr G had been given before he opened his card account. But it confirmed that he wasn't eligible to receive the welcome bonus offer. It paid Mr G £50 for the inconvenience he'd been caused and refunded the £20 monthly account fee that Mr G had paid. Unhappy with that response, Mr G brought his complaint to us.

Mr G's complaint has been assessed by one of our investigators. He didn't think that Mr G had ever been eligible to receive the welcome bonus, despite the incorrect information Barclays had given him. But he didn't think the compensation Barclays had paid Mr G for his inconvenience had been sufficient. He asked Barclays to pay Mr G a further £50.

Barclays accepted the investigator's assessment and agreed to pay the additional compensation. But Mr G disagreed. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr G and by Barclays. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the

business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Barclays accepts that it gave some incorrect information to Mr G before he opened his credit card account. I have looked carefully at the terms and conditions that apply to the account, and I am satisfied that those terms mean he was not eligible benefit for the welcome bonus offer.

But Mr G concludes that the discussion he had with Barclays before opening the account should override any terms that had previously been notified to him. So Mr G says that, in that conversation, Barclays effectively made a contract to provide the welcome bonus Avios points to his account. But I am sorry to tell him that I don't agree.

As I have said earlier, there is no doubt that Barclays did give some incorrect information to Mr G. But as I set out above, in cases where an error has been made, my intent in awarding compensation would be to put a consumer back into the position they would have been. Here, if nothing had gone wrong, Barclays would have told Mr G that he couldn't benefit from the welcome bonus Avios points because of his earlier credit card. So I cannot reasonably conclude there was any opportunity for Mr G to benefit from that offer.

So what I now need to decide is whether the information Barclays gave to Mr G caused him to act differently, and most importantly whether those actions have caused him to lose out.

I think it likely that, had he received better information from Barclays, Mr G would not have opened this credit card account. The direct costs of opening that account amounted to the monthly fee that would need to be paid. I can see that Barclays has refunded that charge to Mr G as part of the compensation it has paid him. So I don't think the incorrect information Barclays gave to Mr G has meant he has paid monthly account charges that he wouldn't have done otherwise.

In order to benefit from the welcome bonus, a consumer would need to spend £3,000 on the credit card in the first three months of its life. I have asked Barclays for details of Mr G's spending on the card, and can see that he made three transactions, totalling more than the required £3,000, on 20 February 2024. So I entirely accept Mr G's testimony that his sole purpose in opening, and spending on, the credit card was to receive the additional bonus Avios points.

Mr G has said that if he hadn't taken out the Barclays credit card he would have applied for a credit card from another provider that offered similar welcome benefits. I think I should first say that I have no knowledge of Mr G's credit rating, so cannot know whether any other credit card application would have been accepted. So it is of course possible that he might not have been able to take advantage of those other offers. But it does seem probable that another application might have been approved.

But I haven't seen anything to suggest that Mr G couldn't have made that application for another card after he had been refused the welcome bonus by Barclays. I have considered that the spending Mr G put on his Barclays card might have been of a one-off nature, and so he might not have been able to afford the required spending to meet any bonus threshold again. But I'm not persuaded that is a conclusion I can reasonably reach. The spending required was not excessive, and from what I have seen of Mr G's spending on his earlier Barclaycard (from 2023), it would seem to be likely to have been within his normal expenditure levels.

I appreciate that these conclusions will be disappointing for Mr G. But I'm not persuaded that his conversations with Barclays before he applied for the credit card fundamentally changed

the terms and conditions of that card such that he should receive the welcome bonus Avios points. So I don't think Barclays needs to make any further payment in recompense for those points not being added to Mr G's account.

As I said earlier, Barclays has paid Mr G compensation of £50 for the inconvenience he was caused. But, like our investigator, I don't think that is enough. Mr G has opened a new credit card that leaves a footprint on his credit file – something that wouldn't have happened had he been given correct information at the outset. So I think a payment of a further £50 compensation is warranted here.

Putting things right

Barclays should pay further compensation of £50 to Mr G for the inconvenience he has been caused.

My final decision

My final decision is that I uphold a part of Mr G's complaint and direct Barclays Bank UK PLC trading as Barclaycard to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 September 2024.

Paul Reilly
Ombudsman