

## The complaint

Miss H complains that HSBC UK Bank plc are not correctly displaying the loyalty points she's earned on her credit card.

## What happened

Miss H has a HSBC credit card which gives her two reward points for every £1 she spends using it. She says over the years she received paper statements every month and up to July 2022 the statements included her reward points balance. She says in February 2024 she decided to check her points balance to see how many reward points she had accumulated, but this fell short of what she believed the points would be. Miss H made a complaint to HSBC. She provided them with a spreadsheet of what she believed her points balance should be.

HSBC partially upheld Miss H's complaint. They said Miss H's spreadsheet shows the amount she had repaid was £25,925.72 for the period between 2 February 2022-16 April 2024, so on the basis of two points for every £1 spent this would be 51,850 points. They said their records show that Miss H has redeemed 30,000 points since 2022, which would leave 21,850 points. HSBC said that they can't confirm if there were other events that would impact the point balance such as points that have expired, or refunds processed later that would result in points being removed from her balance later than when she repaid the original transaction.

HSBC told Miss H that they hadn't been able to check back any further than the last 13 months for purchases, so they wouldn't be able to check prior to this that her purchases have been earning double points. Because of this, they offered Miss H £250 compensation. Miss H brought her complaint to our service.

Our investigator said he thought the compensation was fair. He said HSBC have shown that two points are being awarded for each £1 spent and they have demonstrated that this applied for the last 13 months, but they can't look further back than this. He said on balance it would be fair to say that points will have been applied correctly prior to this. He said Miss H's spreadsheet doesn't take into account the points she had redeemed in the last 13 months, refunds, or transactions that didn't attract points.

Miss H asked for an ombudsman to review her complaint. She made a number of points. In summary, she said she hadn't redeemed 30,000 points in the last 13 months, she said the HSBC terms don't display anything relating to purchases that do not qualify for points or any expiry date for the redemption of points. Miss H attached a screenshot where it shows her total points balance to be 25,831, and she attached a spreadsheet which she says shows her total points balance should have accumulated to be 46,372 as she didn't exchange any of the points while her complaint was being looked into.

Miss H said she phoned HSBC, and they weren't transparent in sharing their terms in full as the exceptions are not included in their terms. She forwarded her recent statement. Miss H said that the points errors are likely to continue which would mean potentially every month she'll need to raise a complaint with HSBC to look into.

## 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.

Firstly, I'm aware that I've only summarised Miss H's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Miss H that it is not within this service's remit to tell a business how they should run their policies and procedures, such as asking them to reintroduce printing her loyalty points on her paper statements. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct HSBC to make changes to their policies and procedures, if necessary.

Miss H has brought a number of points to our service about events which have occurred after she's made a complaint to HSBC, and therefore I may be limited to what I can investigate here, such as the phone call she mentioned she had with HSBC. But where the issues overlap with her original complaint such as transparency of the terms, and how the points are calculated etc, then I will allude to these in my decision where I think it's necessary.

I must make Miss H aware that our service does not provide an auditing service, so while it's clear she's spent a lot of time compiling her spreadsheet, I'm unable to check each statement and compare this to her spreadsheet.

I've noted the strength of feeling Miss H has about HSBC not being transparent as the details of the rewards programme aren't in the terms. But this is because they are in a different document titled "*Reward Programme Rules*". I will ask our investigator to forward this to Miss H.

The Reward Programme Rules document which HSBC sent us for Miss H's account shows that she will earn points "*automatically when you or any additional cardholder on the Account uses an eligible Card to make a purchase. These are the rates at which you'll earn Points on each £1 you spend (including any tax)*" and it goes on to say "*Premier World Elite Mastercard: 2 Points if your purchase is in Sterling, or 4 if it's in a non-Sterling currency*".

Underneath this it says "*The number of Points you get is rounded up or down to the nearest Point. For example, you'd get 1 Point if you spent £1.40 in Sterling (or 3 with a Premier World Elite Mastercard). If you spent £1.80, you'd get 2 Points (or 4 with a Premier World Elite Mastercard).*"

So Miss H wouldn't earn part of a point (for example if she spent £1.20 she wouldn't get 2.4 points, this would be rounded down to two points). Miss H's spreadsheet shows at times that the points she believes should have carried over aren't a round number. Miss H would need to look at each transaction individually and round this up or down based on what the Reward Programme Rules say to get an accurate points total.

The Reward Programme Rules do set out which transaction types don't earn points. And more importantly this section states "*Points earned in relation to any purchases which are subsequently refunded will be deducted*". But it doesn't appear Miss H's spreadsheet takes this under consideration.

I say this because if I took Miss H's statement dated 24 November 2022 for example, Miss H's spreadsheet says she paid £1,163.22, and therefore she should have had 2326.44 points carried over. Ignoring the fact that she couldn't have had 0.44 points, and that individual transactions will be rounded up or down to the nearest point, Miss H's statement appears to show a number of refunds (ten) which total £516.74.

Included in this £516.74 was a purchase showing on her credit card statement which was received by HSBC dated 15 November 2022 for £489. But I can see that on 21 November 2022 HSBC received a refund (credit) from the same merchant for £489. Therefore, while Miss H may have expected to receive  $489 \times 2 = 978$  loyalty points for this transaction alone, as I've previously mentioned *"Points earned in relation to any purchases which are subsequently refunded will be deducted"*.

So as Miss H's spreadsheet doesn't show the deductions from refunds, which Miss H's statements shows she frequently receives, then this could be a reason why her points calculations are different to the figures provided by HSBC. I asked HSBC when the refunds would deduct the points, as this didn't appear to be in real time. HSBC confirmed to me that these tend to occur between 2-5 days after the transaction date.

So even in the example given above where a transaction was made and subsequently refunded, the points added and deducted could technically fall into different statement periods even if both transactions happened in the same statement period. I say this as the transaction date for the refund was 21 November 2022, but the statement date was 24 November 2022. As such, it could have been up to 26 November 2022 for the loyalty points to be removed on that transaction.

I've considered that while the loyalty points are automatically added, these aren't in real time. From screenshots Miss H has sent us, even though she may have made a purchase, her loyalty points may stay the same even a couple of days later. I asked HSBC about this as I couldn't see in the Rewards Programme Rules when the loyalty points would be applied to the balance, so I didn't know if they would be applied at the next statement date.

HSBC told me that points are allocated within three days of a transaction being made. So this is why they may not always reflect on Miss H's points total straight away.

HSBC have said points can be redeemed up to three years from the end of the calendar month that the points have been earned. Unfortunately as HSBC's data doesn't go back further than 13 months, I'm unable to see if any loyalty points have been lost because they haven't been redeemed.

The Rewards Programme Rules say *"Points can normally be redeemed for up to 3 years from the end of the calendar month in which you earned them (this limit doesn't apply to Gold Mastercard). After this they'll expire, which means they'll no longer be available for you to use"*. So this also could affect the figures in Miss H's spreadsheet.

But I did ask HSBC if any loyalty points had expired in the last 13 months. HSBC confirmed that no loyalty points had expired within the last 13 months.

I've considered what Miss H has said about her not redeeming 30,000 points in the last 13 months. I can confirm to Miss H that the dates the 30,000 points (7,500 points on four occasions) were redeemed were on 2 September 2022, 5 January 2023, 20 May 2023 and 23 August 2023. So I agree that these weren't all within the last 13 months from when Miss H made her complaint.

But looking at Miss H's spreadsheet, I can't see she has deducted the 7,500 loyalty points

for the 2 September 2022 or 5 January 2023 redemption. So this would be a large reason why Miss H's figures don't match HSBC's as there were 15,000 points redeemed which her spreadsheet hasn't accounted for.

So I'm unable to conclude that HSBC aren't adding/deducting points correctly, so I'm not persuaded Miss H would need to complain to HSBC monthly regarding this issue. The main reasons why Miss H's figures are different is because of the rounding of the points, the refunds deducting points, and her points redemptions. Miss H should also be mindful of points expiring (although I have no evidence to see whether this has happened earlier than 13 months ago), and be mindful that the updates aren't live, as they can take a number of days to be applied to her balance.

But while I'm confident HSBC haven't made an error with Miss H's loyalty points for the reasons I've given, HSBC have conceded that historically something could have gone wrong with her points balance, and as such they offered her £250 compensation.

I'm satisfied that this is fair compensation as Miss H would be caused distress by HSBC not being able to definitively give her reassurances that her historical points calculation were correct. It would have been prudent for HSBC to signpost the Rewards Programme Rules to Miss H also, which would have given her a better understanding of how the rewards programme rounds up points and deducts points for refunds. So HSBC should pay Miss H the £250 compensation that they offered her.

### **My final decision**

HSBC UK Bank plc has already made an offer to pay £250 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC UK Bank plc should pay Miss H £250 (but only if they haven't already paid her this). But I won't be requiring them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 1 November 2024.

Gregory Sloanes  
**Ombudsman**