

## **The complaint**

Mr M complains that Bank of Scotland plc trading as Halifax provided him with misleading information about the amount of cashback he was earning, causing him financial loss.

## **What happened**

Mr M has had a credit card with Halifax since around 2004. In September 2023, he says he became aware that there was a cap of 0.25% of the value of the first £20,000, or £50, per year on the cashback he would be paid regardless of how much his statements, banking app and online information said he was earning on an ongoing basis.

When Mr M complained to Halifax it offered him £50 in compensation, but noted it was made clear in the terms and conditions of the account, that a cap would apply. Our investigator initially agreed with the offer made by Halifax of £50 but increased this to £150 following further submissions from Mr M. However, Mr M said this did not sufficiently compensate him for the financial losses he incurred as a result of using his Halifax credit card over other, more cost effective, alternatives such as savings.

I sent Mr M my initial thoughts. In brief, I said I considered the terms and conditions of the account were clear about the cap that applied. And I thought Mr M had received sufficient information via his statements to be reasonably aware of this cap, since at the latest, 2017. So, I said I wasn't intending to increase the offer made by Halifax. Mr M disagreed and asked that I reconsider this matter. He provided further submissions but I couldn't see that he added anything substantially different to what he'd already provided. So, I'm issuing my final decision on this matter as Mr M requested.

## **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.

I think it's important to make clear that while I accept Mr M may want answers to every question he's asked, I'm not required to provide answers to everything. No discourtesy is intended by this. I will instead focus my decision on what I think are the key issues. Further, where there's a dispute about what happened, I've based my decision on what I consider is most likely to have happened in the light of the evidence. Having considered everything, I'm not going to ask Halifax to increase its offer of £50. I'll explain why.

The starting point here is the terms and conditions of the account. Whilst I appreciate Mr M opened the credit card account some years ago, I think it's more likely than not that he would have been sent a copy of these from the outset. I can also see he was sent updated terms and conditions in 2021 via his online banking account. In my view, both the original and updated version of the terms and conditions make it reasonably clear that a cap of £50 would apply annually to any relevant earned cashback. I haven't found the details of the cashback cap of £50 was buried in the small print such that Mr M would not have been made reasonably aware this cap applied.

Further, I've carefully reviewed Mr M's statements and I can see that since 2017 he was only receiving £50 each October. The only exception to this was in January 2022. In that month, in addition to the £50 cashback he received in October 2022, Mr M received £100 in cashback. I asked Halifax about this and it explained the additional sum was paid as a result of a special offer which doubled the cap level for a three month period. And this was something Mr M would have needed to have opted into.

I consider Mr M opting into the above special offer shows an awareness of a cap applying to the amount of cashback he could receive. Mr M says he does not remember opting into this special offer but, as I've said, he received an additional £100 shortly after the offer came to an end. Given this, on balance, I think he was, or reasonably should have been, aware of opting into this special offer particularly as he has told us he checked his statements on a monthly basis. And with all the other information Mr M had available to him, I think he had sufficient information to make an informed choice about whether to use his Halifax credit card or to use the other alternative payments he referenced in his submissions to us.

This is further supported by the fact that Mr M continued to use his Halifax credit card even after he made his complaint. I understand he only kept his credit card open whilst the complaint remained ongoing. But I'm not persuaded in light of all the information and evidence that the cashback notifications he has highlighted to us, were the sole reason for Mr M using his Halifax credit card. In short, I do not think the cashback notifications *caused* Mr M to use his Halifax credit card but, rather, this was something he did after being made reasonably aware of the limits that would be placed on his cashback earnings.

Mr M says Halifax is not acting in line with various Financial Conduct Authority's guidance and regulations including to provide 'clear, fair, and not misleading promotions'. And he notes, Halifax undertook to change the cashback earnings notifications to reflect the cashback cap, but he says this hasn't been done to date. However, for all the reasons set out above, I can't fairly or reasonably conclude that Mr M has *relied* on the notifications to make his spending choices.

For all these reasons, I won't be asking Halifax to pay any more than the £50 it's already offered.

### **My final decision**

My decision is I don't require the Bank of Scotland plc trading as Halifax to do, or pay, more than the £50 it's already offered. Mr M has confirmed that Bank of Scotland plc trading as Halifax has already paid him £50 so I do not require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 December 2024.

Yolande Mcleod  
**Ombudsman**