

The complaint

Mr C complains that Bank of Scotland plc trading as Halifax should pay him more compensation, after admitting it provided poor service in connection with its cashback rewards scheme.

What happened

Mr C wanted to take advantage of Halifax's 'Cashback Extras' rewards scheme, which entitled him to earn cashback on some purchases. He made a qualifying purchase (referred to in the terms and conditions as a 'redeeming transaction'), expecting to earn a cashback reward of £38.12.

When he contacted Halifax about this, complaining that he'd had to call numerous times to find out why he hadn't received the cashback reward, Halifax upheld his complaint in part. It said the offer had been temporarily withdrawn, but paid Mr C £88.12, made up of the cashback reward amount of £38.12 plus £50 by way of apology for poor service.

Our investigator thought that Halifax had dealt with Mr C's complaint fairly and reasonably and didn't recommend that it needed to do anything more.

Mr C disagreed with our investigator. He mainly said that due to Halifax's error, he was expecting a final cashback payment that never arrived, resulting in financial detriment on his part. He wanted a clear explanation as to why the missing cashback hadn't been paid despite Halifax having acknowledged it made a mistake.

The complaint has come to me for 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.

Having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

My role is to consider the evidence presented by both parties and reach what I think is an independent, fair and reasonable decision based on the facts of the case. In order to award further redress to Mr C, I would have to find that Halifax made an error or acted in a way that wasn't fair and reasonable *and* this led to Mr C suffering financial loss or some other detriment. So I've looked at what happened with this in mind.

As I understand it, the crux of Mr C's complaint is that he hasn't received a cashback payment he's due and the delay has meant he needed to borrow money from a third party to cover his expenses.

I can appreciate why the cashback situation might be confusing.

On 10 September 2024, Mr C paid for a hotel booking, authorising the payment from his account to a third-party agent I'll call 'B'. Under the terms and conditions of the Cashback Extra scheme, Mr C expected to receive 4% cashback (amounting to around £38.12). He wasn't aware that Halifax had temporarily suspended the cashback rewards scheme – but this makes no difference to the outcome. That's because when Mr C chased up the payment with Halifax, it paid him the £38.12 he would've earned as a cashback reward.

Halifax also paid him £50 on top of this to reflect inconvenience he'd been caused.

Under the Cashback Extra terms and conditions, the cashback didn't have to be paid until the last working day of the month following the month in which the redeeming transaction was made. So here, Mr C was entitled to expect he'd get his cashback payment for the hotel booking made on 10 September 2024 paid into his account by the end of October 2024.

In the event, Mr C received this from Halifax on 4 October. So well within the agreed timescale for paying the cashback reward in this situation.

The cashback summary Mr C saw online showed a second redeeming transaction payment of £970.50 to B on 18 October 2024. But this isn't reflected on Mr C's bank statement – I can't see that this payment was taken from his Halifax account on or around 18 October (or at all). It's unclear why this transaction shows on Halifax's records – but I am satisfied that I haven't seen enough to be able to say it left Mr C's account. Nonetheless, it triggered Halifax's system to award Mr C the cashback reward he would have earned had the payment been made. I've seen that this was included in a payment of £40.36 Halifax made to him on 27 November 2024.

So I don't find that Mr C has lost out in money terms so far as the 10 September 2024 payment is concerned.

And he's had the additional benefit of Halifax mistakenly paying him a cashback reward for a payment showing on the cashback summary that his bank statement shows he never actually made.

As far as I can see, Halifax's only significant error was paying Mr C a benefit he didn't qualify for and as a result, this means that Mr C is better off financially than he would've been, but for Halifax's mistake. I'm sorry if he had money problems around this time. But I can't fairly hold Halifax responsible for that in these circumstances.

If I have not referred to everything mentioned during the course of the correspondence, that's because I have nothing useful to add to what the investigator has said already and I've concentrated on what seems to me to be the core issues I need to address when deciding the complaint. I hope that setting things out as I've done is helpful and Mr C can feel reassured that he hasn't lost out here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 June 2025.

Susan Webb
Ombudsman

