

## **The complaint**

Mr G complains that Barclays Bank UK PLC trading as Barclaycard unfairly declined to transfer points he had earned using a reward credit card to his preferred partner account.

## **What happened**

Mr G opened a reward credit card account with Barclaycard. Under the terms and conditions of this credit card, Mr G would earn a certain number of points dependent on the amount he spent on the credit card over a set period time plus additional points for other eligible purchases. The credit card was also only to be used for personal purchases and not for businesses purposes. And if any of the terms and conditions were breached or payments missed or late on the account, then points could not be earned under the scheme. There was a monthly fee charged by Barclaycard for holding the reward credit card.

Mr G used the reward credit card for a number of large purchases for business as well as some personal transactions. He accrued a large number of points on his reward credit card account. Mr G says he had been unaware of the restriction placed on its use in regard to transactions for business purposes.

Mr G requested that the points he'd earned on his reward credit card account be transferred by Barclaycard to his preferred partner account so that he could use them for travel. However, the points weren't transferred. There followed contact between Mr G and Barclaycard during which he was told that the points had been transferred, that they were due to be transferred and then that there was an issue with his preferred partner's system, and he should contact them directly.

In November 2022 Barclaycard warned Mr G that his card use was in breach of the terms and conditions and warned him that his account was at risk of being closed.

In January 2023 Mr G complained to Barclaycard that the points he'd earned still hadn't been transferred as he had requested.

In March 2023 Barclaycard sent Mr G 60-days-notice of closure of his credit card account because he had used the credit card for business transactions which was in breach of the terms and conditions.

In April 2023 Barclaycard wrote to Mr G stating that it would not be transferring any of the accrued points to his preferred partner account because these had been accumulated while breaching the reward scheme rules.

Mr G was unhappy at Barclaycard's decision and complained to this service. He said that although he accepted some of the transactions on the reward credit card account had been business not all of them had. He said Barclaycard should honour the eligible points that he had earned.

Our investigator recommended that his complaint should be partially upheld. She said that looking at Mr G's reward credit card statements she was satisfied he had used the card to

make several business purchases which was in breach of the terms and conditions. And as Mr G had broken the rules, our investigator said she thought it would be unfair to ask Barclaycard to transfer any of the points to his preferred partner account. She said she thought Mr G was not eligible as whole to benefit from the reward scheme due to the way he had conducted his account.

However, our investigator said that Barclaycard had given Mr G unclear and misleading information about the points being transferred before closing his account. She said this would have caused him distress and inconvenience and it would be fair for Barclaycard to pay him £50 as compensation for its handling of his account.

Barclaycard has agreed with our investigator's view, but Mr G says that the £50 redress is insufficient. He says that he should be awarded the points for any eligible transactions on his account; that Barclaycard should have acted sooner if it believed he was breaching the terms and conditions and, if these points aren't to be awarded, then it would be fair for Barclaycard to refund him the monthly fee he had to pay to hold the credit card.

As the parties were unable to reach an agreement the complaint has been passed to me.

### **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.

Mr G accepts that he didn't use the reward credit card in accordance with the terms and conditions of the scheme in that he made a number of business purchases. He also accepts that he didn't read the terms and conditions in respect of using the credit card and the reward scheme rules. And while I accept some people may not familiarise themselves with the rules, specifications and requirements of a contract I can't fairly say that not doing so is a reasonable thing to do. I've seen that the terms and conditions were clearly set out by Barclaycard so I would have expected Mr G to have been fully aware of the limitations placed on the credit card use in respect of any business transactions.

While Mr G may have earned some points through eligible transactions, I agree with our investigator that it would be unfair to ask Barclaycard to honour those as he had breached the rules about using the card only for personal transactions. As Mr G didn't use the credit card as per the reward scheme rules then I think it's fair that all his transactions are considered as outside of the scheme. The rules specify that points can't be awarded if there is breach of the terms and conditions.

Mr G has queried why Barclaycard took so long to raise that he was using the credit card incorrectly. But as I think it's fair to consider that the onus was on Mr G to ensure he was aware of how the reward scheme worked, I don't think I can fairly place any blame on Barclaycard if Mr G didn't look at the applicable rules which he knew existed and which were accessible to him. I also don't think Barclaycard reviewing of Mr G's credit card use is a matter for me to consider as that would be a business practice.

Mr G says in these circumstances it would be fair for Barclaycard to now refund the monthly fees that were charged for the reward credit card. These fees are part of the terms and conditions. Although I appreciate this will be of disappointment to Mr G I'm afraid I disagree with his view. Barclaycard provided the reward credit card to which a fee was attached but it wasn't Barclaycard's fault that Mr G didn't keep to the terms and conditions when using it and so forfeited the benefit the credit card provided. Barclaycard would have honoured the points had Mr G had conducted the account as it was supposed to have been used. It was Mr G who breached the conditions of the agreement and so I don't think it's fair to ask

Barclaycard to reimburse the fees that were properly charged.

However, I agree with the view of our investigator that when Mr G requested the points he thought he had earned were transferred, Barclaycard wasn't clear with him about the situation. It provided a number of different responses as to why the points hadn't been transferred. And I think it's reasonable to say it misled Mr G as to where these points were. I therefore think Barclaycard's handling of this part of Mr G's account would have caused him unnecessary distress and inconvenience. I think, when taking all the circumstances into account, that £50 compensation is just and fair for Mr G.

### **Putting things right**

I'm partially upholding Mr G's complaint and I'm asking Barclaycard to pay Mr G £50 compensation for the misleading information it initially provided in respect of the points that had been showing as earned on the reward credit card account.

### **My final decision**

For the reasons set out above, I'm partially upholding Mr G's complaint. I'm asking Barclays Bank UK PLC trading as Barclaycard to pay Mr G £50 compensation for the misleading information it initially provided in respect of the points that had been showing as earned on the reward credit card account

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 December 2023.

Jocelyn Griffith  
**Ombudsman**