

The complaint

Mr P complains that Bank of Scotland plc trading as Halifax made changes to the terms of his agreement relating to cashback.

What happened

Mr P holds a credit card with Halifax. The account was opened in 2001.

On 8 July 2024 Halifax wrote to Mr P and advised him that it was changing how cash back works on his credit card account. It said it was changing the cashback rate to 0.5% on all card purchases. It also said that currently it applied cashback to the account on the anniversary of the account opening and it was changing this so that cashback was applied annually each January. Halifax also said that currently Mr P needed to have earned £10 cashback before it was awarded to him, but this was changing so he only needed to have earned £0.01 to receive his cashback. Halifax advised Mr P that if he didn't want these changes he could opt out and close the account.

Mr P complained to Halifax on 2 September 2024. He was unhappy about the changes to the cashback and said he wanted to keep his cashback at 1%.

Halifax didn't uphold the complaint. In its final response dated 5 September 2024 it said the terms and conditions of the agreement allowed it to change the terms of the agreement provided it gave reasonable notice. It said it had sent Mr P notice of the changes on 8 July 2024 and that as the changes didn't take effect until 1 October 2024, they believed this to be reasonable notice.

Mr P remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions of the agreement allowed Halifax to change the terms if they gave reasonable notice, and he considered three months' notice to be reasonable. The investigator said the setting of the cashback was a commercial decision by Halifax and not one with which this service could interfere.

Mr P didn't agree. He felt that Halifax was hiding behind the terms and conditions which allowed them to make changes to anything. He said he didn't believe the term which allowed changes was compliant following the changes to Consumer Duty in 2023. Mr P said he'd been receiving 1% cashback for 24 years and he didn't think the changes were a good customer outcome. He said he'd suffered a loss of expectation of future funds which he'd expected to continue to be paid.

Because Mr P didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr P, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the terms and conditions of the agreement. These were accepted by Mr P when he took out the credit card in July 2001. These state:

"We may change and add to the terms of this agreement if we want as long as we give you reasonable written notice"

The terms and conditions also state that if the changes are to the customers disadvantage, the bank will provide at least 60 days' notice.

I can see that Halifax write to Mr P on 8 July 2024 advising him of the changes. The changes came into effect on 1 October 2024. I've thought about whether Halifax gave "reasonable written notice" of the changes to cashback. I'm satisfied that just under 3 months notice is reasonable notice.

I appreciate that Mr P isn't happy about the changes. However, the decision to reduce the cashback offer is a commercial decision made by the bank. It isn't the role of this service to tell a business what it can and can't do and what rates it should set for things like cashback. What this service can do is look at whether the changes were applied fairly.

As I've said above the terms and conditions allow Halifax to make changes and based on what I've seen the relevant notice period has been complied with. I haven't seen any evidence to suggest that Halifax has treated Mr P unfairly.

I've read everything that Mr P has said, and I understand that he has concerns about Halifax not complying with the Consumer Duty regulations. I've thought about this, but I don't agree with Mr P that Halifax hasn't complied with the relevant regulations. Whilst the Consumer Duty requires firms to deliver good outcomes for retail customers, this doesn't mean that a customer will always get the outcome they want. Nor do the regulations mean that a business can't change the terms of the agreement where the terms and conditions allow it to do so, even where the changes might be to the disadvantage of the customer.

Taking everything into consideration, I'm not persuaded that Halifax has done anything wrong here.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 January 2025.

Emma Davy
Ombudsman