

Citibank Now Allowing Cardholder to Pool Reward Points on Facebook

January 6, 2012 - Citibank has been offering credit cards with reward programs for years. But until recently, those accumulated reward points could only be used by the person that actually accumulated them. That could mean that if you had held your card for years and had amassed only a couple of thousand reward points, you might be lucky to be able to get a new toaster. But now, Citibank will allow you to pool your points with other cardholders so that you can actually get much bigger rewards. And the platform they are using to host their new program is Facebook. Social networking will never be the same again.

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(function() {  
var s = document.createElement('SCRIPT'), s1 = document.getElementsByTagName('SCRIPT')[0];  
s.type = 'text/javascript';  
s.src = 'http://widgets.digg.com/buttons.js';  
s1.parentNode.insertBefore(s, s1);  
})();
```

```
(function() {  
var po = document.createElement('script'); po.type = 'text/javascript'; po.async = true;  
po.src = 'https://apis.google.com/js/plusone.js';  
var s = document.getElementsByTagName('script')[0]; s.parentNode.insertBefore(po, s);  
})();
```

A couple of words of caution here. First, anyone who uses a rewards card is likely to be paying a higher interest rate as a result of those rewards. The old adage that "nothing is for free" applies. This means that unless you pay your bill in full each month, you should seriously compare the interest rates on any rewards cards you have with credit cards that don't offer rewards.

Second, we have regularly criticized Facebook's privacy policies here. Anyone who takes advantage of the pooled rewards program being offered by Citibank needs to know that there may be - this is just speculation on our part for the moment - some privacy implications. So, proceed with caution.
Now, back to the Citibank program.

Pooling rewards may not be for everyone; especially on Facebook. Facebook friends are often geographically dispersed. So if you live in Los Angeles and your pooling your points with a friend in Denver to get a big screen TV, one of you is going to be doing some traveling if you actually want to use your new prize.

On the other hand, if you keep in contact with a lot of your own family members on Facebook and you are trying to decide if you can afford to fly grandma out for the fourth of July, pooled rewards might be just the ticket. You can get together with your other family members and use your reward points to book a flight; no additional cash required.

Citibank had already been offering pooled rewards via its own website. On Tuesday, their program expanded to include Facebook.

Citibank's move is likely to create something of a black market for reward points. Some enterprising soul will certainly decide that they can sell their points for cash. If anyone makes you such an offer, be very careful. You don't want to get caught up in a scam.

With that said, if you really know the people you are dealing with, then Citibank's new program may actually provide some with a real benefit.

by Jim Malmberg

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