

In order to serve you better: Frequent flyer miles expiring sooner

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At the beginning of the year, United quietly changed its policy on frequently flyer points. Under the old rules, your account remained active provided there was some sort of account activity in the past three years. The activity could be taking a flight, redeeming points for product, or earning points through one of their partners. Anything that changes the point total resets the clock. Under the new rules, the lifetime of an inactive account has been cut in half, to 18 months. What's more, they made the change retroactive with no grace period. If your account had been inactive for two years, *poof*, it's gone. I understand why the airlines are doing this. It is widely reported that there are over *9.7 trillion* unredeemed points in frequent flyer programs, and the threat of having to redeem those points for flights means having to account for them in their balance sheets. What I found interesting is that the explanation United gave for the policy change is the classic lie: "In order to serve you better." They explained that making points expire sooner means that there will be fewer people competing for the free tickets, and therefore a higher likelihood that you'll get what you want. Of course, this only holds true if you're not one of the suckers whose points just got expired out from under you. Now, they could have turned this lie into a truth by a simple change in wording. Instead of saying that it's "in order to serve you better," they could have said that was made "in order to serve our most loyal customers better." Because the loyal customers will have lots of points that don't expire, and it's the infrequent customers that will watch their points disappear. United is hardly the first or the last airline to be more aggressive on inactive accounts. In late 2006, Delta dropped their inactivity cutoff from three years to two, and US Airways dropped theirs from three years to 18 months. And recently, American dropped their cutoff from three years to two. (Alaska Airlines has held steady at three years, and Continental's technically expire after 18 months, though they also say that they haven't enforced the rule. USA Today summarizes the policies for the major U.S. airlines.)

Epilogue: Yeesh, this article was intended to be just a "public service announcement" to remind people to check the mileage expiration policies of the airlines they fly with. I didn't expect the Spanish Inquisition. Fortunately, this problem is easy to fix: I'll simply post a dry "public service announcements" and not include my own personal analysis.

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