

## **The complaint**

Mr C's complaint about American Express Services Europe Limited (AESEL) relates to the incorrect advice that paying off his account balance in month's billing cycle would allow him to then use his entire credit limit immediately. As a consequence of that advice, Mr C feels he has lost out on a companion voucher and Avios points.

## **What happened**

Our investigator's background summary covered all the relevant facts and issues, and is known to both Mr C and AESEL, so there is no need for me to repeat it here in any detail. Instead I will focus on giving the reasons for my decision. So, if I've not mentioned something it's not because I've ignored it, rather it's because I don't think it's of direct relevance to the issues I need to deal with.

## **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.

The role of the Financial Ombudsman Service is to provide a fair and impartial answer to individual disputes between consumers and businesses, and to award redress where it is appropriate.

On the 18 September, Mr C wished to make a purchase for £5,393.60 but he didn't have enough credit on his account to do so as his balance at that time was £3,553.18. So, he called AESEL and was told that if he cleared the balance, as he suggested he would, then he would have sufficient credit to make his purchase. He duly did that but was then told that he would have to wait until the next billing cycle, which was on the 15 October, to be able to use his full credit limit. As such he couldn't make the purchase using his AESEL card.

Mr C was keen to use his AESEL card because it provided a benefit, in the form of a Companion Voucher for a free flight with British Airways. The underlying condition being that he would be required to spend £10,000 within a year. If he had been able to make his purchase he would have met the £10,000 spend requirement.

When Mr C made his complaint on the 25 October 2019 he argued that had he been permitted to make his intended purchase, then he would have met the qualifying conditions for the Companion Voucher. As he wasn't he said he had missed out on that benefit and the accumulation of 8090 Avios points which he would have received had he been allowed to make his purchase. Further that he had a loss of interest as he had used other resources.

AESEL recognised and accepted they had given incorrect advice and confirmed that their long-established business policy was that a customer's credit limit could only be used once within a billing cycle. AESEL then credited Mr C's Avios account with 10,000 points which put him back in the position he would have been had he been able to make his purchase. The excess of nearly 2,000 points AESEL feel would cover any lost interest Mr C would have incurred elsewhere.

That leaves the issue of the Companion Voucher. The terms of AESEL's Companion Voucher were that one voucher per year could be earned. Mr C did in fact earn such a voucher in March 2020 and that was communicated to him on that month's statement. As such Mr C has not lost out for that year since he has obtained the voucher in any event.

So, in conclusion I agree that Mr C lost the opportunity to earn the Avios points, but he was put back into the position he would have been in by the award of the 10,000 points. I can accept that Mr C will have had to use funds from elsewhere and hence there is the likelihood that it would have been more expensive for him, in terms of lost interest. But I feel the additional points awarded to him would be sufficient to cover that small amount of interest and that is sufficient. Mr C has not missed out on a Companion Voucher, because he has received it.

Putting all of this into the balance I think AESEL's credit of the 10,000 Avios points is fair and reasonable and I do think it is enough to put matters right.

So, although Mr C will probably be disappointed with my decision, and whilst AESEL have indeed made errors, I can't say AESEL has subsequently acted unfairly or unreasonably here and I'm not upholding this complaint.

### **My final decision**

AESEL has already credited Mr C with 10,000 Avios points to settle this complaint, and I think that is fair and reasonable. So, my final decision is that I don't require AESEL to do anything else.

For the reasons set out above I do not uphold the complaint against American Express Services Europe Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 October 2020.

Jonathan Willis  
**Ombudsman**