

## **The complaint**

Mr T complains about the way American Express Services Europe Limited (Amex) administered the application process for his account.

## **What happened**

In October 2019, Mr T called Amex to open a new account. Mr T asked what referral benefits were available to him as both his parents were existing cardholders.

Mr T said he was told about the following offers paid in Avios points. These are membership reward points available on selected cards.

- 6000 Avios points if £1000 is spent in the first three months.
- 6500 Avios points by opening the account when referred by his parents.
- 1000 Avios points for adding each of his parents as supplementary cardholders.

Mr T said he was unhappy about the length of the call when setting up the account. He said the call had taken 2 hours and had been confusing.

Two weeks later Mr T called Amex again as he'd received several cards – some of which were in the wrong name. Plus, Mr T didn't think Amex had applied the correct number of Avios points to his - or his parent's accounts.

In their response, Amex said they hadn't been able to review Mr T's call, but they acknowledged the application process wasn't handled well during the 70- minute call with Mr T and his parents. Several accounts had been created - causing Mr T to receive a number of cards in his and his father's name.

Amex went on to say 7000 Avios points had been correctly applied to Mr T's account. But they said a referral link hadn't been active on Mr T's account at the time of the call. So, they'd credited Mr T's account with 1000 Avios points to acknowledge the issues he'd encountered when trying to set up a supplementary card via the link.

Amex credited Mr T's account with an additional 7500 Avios points in recognition of the issues Mr T had experienced while setting up the account.

As he didn't agree with Amex, Mr T brought his complaint to our service. Mr T said Amex should pay him 14,500 Avios points, and an additional 5000 Avios points as compensation. Mr T asked if the compensation could be paid in cash instead of Avios points. And he said several credit searches had been carried out at the time of the application – causing his credit file to be affected.

Our investigator's view was that Mr T's complaint shouldn't be upheld. The investigator noted Mr T had been credited with the correct number of Avios points. And she said as Mr T's original complaint had been about Avios points, she thought it was reasonable for Amex to compensate him in the way they did.

As Mr T didn't agree with the investigator's view, the case was referred to me to decide.

### **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.

Having done so, I'm not going to require Amex to take any further steps to resolve Mr T's complaint. I'll explain why.

I've not been able to listen to the set-up call as Mr T's parents were involved in the call, and we weren't able to gain the necessary consent. But I've considered what Mr T has said and the account notes provided by Amex.

So, I've considered the following information provided by Amex from their web site at the time of Mr Ts' application.

***“Welcome bonus – New cardmember will earn 5000 Avios if they spend £1000 in the first 3 months (goes up to 6000 with referral bonus)***

***Referral bonus – An existing card member refers someone new. The existing card member received 4000 points, and the new cardmember will receive a bonus when they reach a spending threshold. (in this case 1000 points)***

***Supplementary bonus – Accounts related to BA will receive 1000 Avios when the first supplementary card is added. This is only available once for the first supplementary card.”***

I can see from the account statements provided by Amex, Mr T spent over £1000 within the first three months. So, as I understand it, he would have been entitled to a total 7000 Avios points.

- 5000 Avios points for spending £1000 in the first three months.
- 1000 Avios points for the referral bonus.
- 1000 Avios points when the first supplementary card is added to the account.

Mr T thought Amex said he was entitled to 14500 Avios points. The call notes provided by Amex show Avios points were discussed. But as there's nothing to indicate Mr T was told he would receive 14500 Avios points. I think it's more likely there was some confusion during the call rather than Mr T being told he was entitled to over double the points advertised on Amex's website at the time of the call.

I can see Amex added a total of 7000 Avios points to Mr T's account between November 2019 January 2020. So, I can understand why there may have been some confusion as some of the bonus points were added after Mr T complained.

But as I understand it, points are only added once the payments on the card changes from pending to complete. So, while Mr T expected the points to be added to his account straight away - the points were added at a later date.

Given the terms of the card show Mr T should have received 7,000 points - which he did. I can't fairly say Amex should apply more Avios points to Mr T's account.

Mr T has told us several cards were sent out to him when he first set up the account. And I understand why Mr T would've found the experience frustrating. But I can see from the account notes, Amex resolved this as soon as Mr T contacted them by cancelling the

incorrect cards as some of the cards had been processed in his father's name, as Mr T and his father share the same name.

Amex then added a further 7500 Avios points in recognition of the issues he faced while setting up the account. I'm satisfied this was a reasonable remedy in the circumstances.

Avios points are a British Airways product, and I'm not persuaded it would be right for me to ask Amex to remove the points from Mr T's account in favour of a cash sum. Mr T's original complaint was mostly about Avios points, and I don't intend to add any further compensation. I'm satisfied the compensation already offered by Amex fairly reflects the issues Mr T encountered while setting up the account.

So, all that's left for me to consider is the issue raised by Mr T's about his credit file.

I've looked at the account report provided by Amex and can see there was one search at the time of Mr T's application. And as I've not seen anything to persuade me that Amex carried out the multiple searches described by Mr T. Based on the evidence, I'm satisfied Amex only carried out the one search documented on the account report.

In summary, Amex correctly applied 7000 Avios points to Mr T's account. In addition, Amex added a further 7500 Avios points to acknowledge the issues Mr T experienced when first setting up the account. Plus 1000 Avios points when a referral application failed.

### **My final decision**

I'm satisfied it was reasonable for American Express Services Europe Limited to resolve the matter in the way they did, so I won't be asking to do anything further in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 1 October 2020.

Sarah Watts  
**Ombudsman**