

The complaint

Mr W complains that American Express Services Europe Limited (AESEL) failed to reward him with an introductory welcome bonus when he took out a new credit card.

What happened

In July 2020 Mr W took out a credit card with AESEL. Subject to specific eligibility criteria, the card provided customers with a welcome bonus of 25,000 Avios points – if they spent £3,000 in the first three months of their card membership.

Shortly after taking out the card, Mr W was awarded 3,000 Avios points. But in October 2020, having spent over £3,000 in the first three months, he hadn't received the remaining points, so he complained.

AESEL responded. They said that to be eligible for the welcome points, customers must not have held a British Airways American Express product within the last 24 months. And as their records reflect Mr W had, they said he was not eligible for the welcome bonus, and therefore the points were not awarded.

Mr W said the '24 month condition' wasn't clear, and was in small print. And he said that to his knowledge, the old card was cancelled more than two years ago. He also said that in being awarded 3,000 points shortly after the new card was taken out, he was led to believe the remainder would follow. So unhappy with AESEL, he brought his complaint to our service.

An investigator considered the complaint, but thought AESEL were right not to pay Mr W the 25,000 Avios points, as he was not eligible for the welcome bonus at the time he applied.

But Mr W remained unhappy. He said he hadn't used the old card since December 2017. And if he wasn't eligible for the bonus, he should've been notified around the time he applied, and therefore would've received a higher pro-rata refund of the card fee.

As both parties have not reached an agreement, the case has been passed 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.

When Mr W took out the new card online, he was presented with the terms of the welcome offer, which included its eligibility criteria. Mr W has himself, provided us with a copy of these.

The offer states – *“Collect 25,000 bonus Avios when you spend £3,000 in your first three months of Card membership”*. It then sets out further details of the card, including the representative APR, annual fee and credit limit, as well as the benefits of the card and the service being offered.

The next section is titled “*Eligibility*” and says – “*To save time, before applying for your British Airways American Express Premium Plus Card, it’s best to make sure you can say yes to the following*” – and sets out six bullet points that cover criteria such as age, address and credit history. The fifth bullet point states – “*I understand I will not be eligible for any Welcome Bonus award if I hold or have held any personal British Airways American Express Card product in the past 24 months.*”

All of this information was set out clearly on the first page of the application, and was not in small print. So I’m satisfied it was made clear to Mr W, that he would not be eligible for any welcome bonus, if he held, or had held an American express card, within the last two years.

Mr W accepts he’d previously held an American Express card, but he said he thought it had closed more than two years ago, as he hadn’t used it since December 2017. So I’ve looked at the evidence provided by AESEL to work out when the card was closed.

The evidence shows that in June 2019, Mr W’s card account was assessed for dormancy, due to there being no spending on it for at least 12 months. And it shows that AESEL wrote to him in June and July 2019 with its intention to close his account before it was then closed in August 2019. Having not used the card for a considerable amount of time, I can appreciate why Mr W may have forgotten it was still open when he applied for the new one.

But as AESEL have rightly pointed out, just because a customer stops using their card at a particular point, it doesn’t mean it automatically closes. And as I’m satisfied Mr W’s card was still open up until August 2019, I’m also satisfied he would not have been due a welcome bonus based on the eligibility criteria for that offer at the time he applied.

Mr W has argued that the letters sent to him relating to the dormancy of the account in June and July 2019, prior to the card closure, were sent to an old address. So I’ve thought about what impact this may have had. But Mr W, by his own admission, said he’s not sure whether he informed AESEL of his address change; and he doesn’t have anything to prove he requested for the card to be cancelled prior to this.

But while I’ve not seen any evidence to show that Mr W changed his address with AESEL, even if I accept he didn’t receive these letters – which were letters outlining AESEL’s intention to close his account - then I think it’s more likely that Mr W would’ve thought the card remained open. And if he did receive the letters, he would’ve been aware of the closure of the card within two years of his new application. So this point does not alter my findings, and, the fact remains that Mr W wasn’t due a welcome bonus because he didn’t meet the required eligibility criteria.

Mr W has said it was AESEL’s responsibility to tell him he had an existing card within the last 24 months. As if he’d known earlier that he wouldn’t be getting the welcome bonus, he would have cancelled the card earlier, and received a higher pro-rata refund of the card fee.

As I’ve set out above, I think AESEL’s terms made it clear that it was Mr W’s responsibility to check whether he had an existing card at the time he applied, not AESEL’s. And while Mr W is right that he would have received a higher pro-rata refund had he cancelled the card earlier, given the card was cancelled later, he had access to the card for a longer period, and should be charged for this accordingly. So I think it’s correct that Mr W received a lower pro-rata refund when the card was cancelled later for this reason.

Mr W has also said the initial 3,000 points AESEL awarded him led him to believe he was eligible for the remaining points. But AESEL have told us that the 3,000 points were awarded as a result of him adding a supplementary card to his account, and were not related to the

promotion Mr W's complained about. And I can see nothing on the original promotion that mentioned customer's receiving an initial 3,000 points. So I don't think AESEL have mis-led Mr W in this respect.

I appreciate Mr W is upset he was not awarded the 25,000 Avios points from AESEL, and I know he may be disappointed by these findings. But in summary, I don't think AESEL were wrong in not awarding Mr W the 25,000 Avios point welcome bonus, as he was not eligible to receive it at the time he applied. So I'm not upholding Mr W's complaint.

My final decision

My final decision is that I do not uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 June 2021.

Brad McIlquham
Ombudsman