

The complaint

Mr R complains that American Express Services Europe Limited trading as American Express (Amex) unfairly continued to charge him an annual fee for a credit card, that he said he could no longer receive the full benefit of as a result of the Covid-19 pandemic.

What happened

Mr R holds a credit card with Amex for which he pays an annual fee of £195. For that fee, he receives points, which he can use towards flights and travel, amongst other things.

As a result of the Covid-19 pandemic, Mr R's work travel substantially decreased, and he's not been able to accrue or use his points as he normally would. He complained to Amex that he wasn't receiving the full benefit of the card, and asked them to; carry out a full analysis of his spend levels and points accrual prior to the pandemic and during it; refund the full product fee since the start of the pandemic; pay him compensation to cover the time spent calling to deal with the matter and, consider whether the product remains fit for purpose. He feels other companies are taking pro-active steps to refund customers and feels Amex should do the same.

Amex responded. They explained that they weren't taking steps to reduce or waive customer's account fees, but they were constantly looking for ways to improve their service which had included things like offering bonus points and vouchers to customers at times. But Mr R felt this response didn't adequately address his concerns, so he brought his complaint to our service.

An investigator considered Mr R's complaint, and originally recommended Amex refund the account fee and pay £50 compensation. But she later said that just the £50 compensation was sufficient, as Mr R could've cancelled the card at any time. But Mr R maintained that he wanted the analysis of spend levels completed, a full refund of account fees paid since the start of the pandemic, the 2,500 points previously offered to be credited to his account, and for Amex to pay him the £50 compensation the investigator awarded. So, as an agreement couldn't be reached, the case was 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.

I wrote to Mr R in June 2022, and set out my findings informally, where I explained that I was able to establish that Amex had already credited the 2500 points, was still willing to pay the £50 compensation, and had not charged Mr R for the old account beyond the point of the downgrade. I explained that I thought this was a fair resolution his complaint, but Mr R still remained unhappy. I've now reviewed all of the evidence again, including Mr R's response, and my position remains unchanged – I'll explain why.

Mr R said that the reason for taking out this card was primarily to accrue points from his business travel, which was limited during the Covid-19 pandemic. And I accept this was the

reason Mr R took out the card. I also appreciate his argument that the main things the points can be spent on are travel related. So, it's likely the card wouldn't have been as beneficial to him during the Covid-19 pandemic, given the travel restrictions in place around that time.

But as the investigator has highlighted, travel wasn't the only thing that points could be spent on. And Mr R was still able to accrue points on the card as before, although I appreciate Covid-19 restrictions may have limited the way in which he might normally do this. He also had the option to change the type of card he held with Amex if he thought it was no longer providing good value for money, and he wouldn't be charged anything further beyond the point of that change.

Mr R has argued it wasn't made clear that he could change the type of card he had. And he said that Amex should've made this clear when they spoke to him. But I can see from the credit agreement that Mr R was provided with at the point of sale that, on page 7, there's a section titled "*Switching you to a different type of card*", which states:

"If a card membership fee applies and you switch to a different type of card covered by this agreement then, unless we tell you otherwise, we'll reset the start of the membership year to the date the switch happens. We'll refund any card membership fee applicable to your previous card on a pro rata basis."

So, I'm satisfied it was made sufficiently clear that Mr R could change the type of card he had mid-term and if he did so, he wouldn't be charged for any period beyond the date of that change. So, for this reason, I don't think it was unfair of Amex to continue to charge Mr R a membership fee up until he downgraded his card in June 2021. And they were right to charge him up until this point, rather than actioning a pro-rata refund back to the start of the pandemic as he's requested.

Mr R has asked Amex to complete an analysis of his spend levels from before and after the pandemic, to see whether the card remained suitable for him. But I don't think this is necessary – as it's for Mr R to determine whether the card remains suitable for him, this is not Amex's responsibility.

In summary, I'm satisfied that Amex provided Mr R with a product that he's benefited from for a period of time and could cancel at any point. He hasn't been charged for the old card beyond the date of the downgrade in June 2021 and Amex also credited the 2,500 points to Mr R's card account in May 2021 as they said they would. Amex also agreed to a fair level of compensation by offering Mr R £50 compensation for the drop in service. So, for these reasons I won't be instructing Amex to do anything further.

My final decision

My final decision is that I uphold Mr R's complaint, and require American Express Services Europe Limited trading as American Express to pay Mr R the £50 compensation they've agreed to.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 August 2022.

Brad McIlquham
Ombudsman