

## The complaint

Mrs E and Mr E complain about American Express Services Europe Limited (AESEL) giving misinformation which caused financial detriment, distress and inconvenience.

## What happened

I issued my provisional decision on this complaint on 4 February 2023. This is what I said:

*I've considered the relevant information about this complaint.*

*Based on what I've seen so far, there will be a different outcome to what our investigator proposed.*

*Before I issue my final decision, I wanted to give everyone a chance to reply.*

*I'll look at any more comments and evidence that I get by 4 March 2023. But unless the information changes my mind, my final decision is likely to be along the following lines.*

### *The complaint*

*Mrs E and Mr E complain about American Express Services Europe Limited (AESEL) giving misinformation which caused financial detriment, distress and inconvenience.*

### *What happened*

*Mrs E and Mr E were planning to make an important payment for approximately £60000 and they wanted to pay on their Amex card so they could get reward points.*

*So, on 25 July 2022, Mr E contacted Amex to organise this. Mr E first asked if he could credit his account with funds to up the balance of the account to £60000 but was told that wouldn't be possible and he would need to increase his credit limit. He subsequently increased his credit limit from £23900 to £33300 and says when he asked a representative if he could process two payments in succession for approximately £30000, he was told he could.*

*However, Mr E had been misinformed and when he went to make the important payment in two transactions three days later, on 28 July 2022, the first went through but the second declined. This caused Mrs E and Mr E embarrassment and difficulty as they had to scramble around to make other payment arrangements.*

*Mr E complained and said that Amex apologised and agreed with his version of events. However, he was dissatisfied with their gesture of goodwill which was 3000 reward points. This is because reward points have a value, and he had been expecting to earn 45000 reward points on a £30000. Also, Mr E explains that the main reason he and his wife pay a sizeable Amex card fee is the ability to earn reward points. So, he feels the misinformation has caused a financial detriment and he should receive a greater amount of reward points. Amex felt their goodwill gesture was fair and reasonable and they didn't uphold Mrs E and Mr E's complaint.*

*Mrs E and Mr E complained to our service as they were dissatisfied with the level of compensation. However, our investigator thought Amex's goodwill gesture was a fair way to apologise for the distress caused.*

*As Mrs E and Mr E remain dissatisfied this case has now been referred to me to look at.*

*What I've provisionally 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 have come to a different view to the investigator, and I will explain how I have come to my decision.*

*Although it's not in dispute that Amex made a mistake here, I first listened to the available calls to fully understand the details of the misinformation. I found it necessary to request the call in which Mr E was misinformed. However, Amex said this wasn't available and when I enquired about how they'd been able to confirm the misinformation given, they explained a complaint handler had listened to the call and made a short note which stated:*

*"Security taken and then credit limit increase request made. Rep confirmed that £33300 has been approved. Card member asked if the x (payee) split the bill into two payments would it go through and the rep said yes."*

*I then considered Mr E's points that had he not been misinformed he could've uploaded the card or got the payee to accept two payments on different days and I couldn't see that either of these options would've been possible.*

*On a taped call on 25 July 2022, Mr E was advised that he couldn't put extra money on his card in order to spend more than the card limit and thus gain extra reward points. Instead, he would need to increase the limit.*

*Regarding making two payments for £30000, I could only see that this was possible if the limit was increased to £60000. This is because Amex provided guidance on 'interim payments for release' which showed that they wouldn't be able to guarantee expenditure above the given limit, and when I checked if it was possible to process consecutive transactions for the maximum limit, Amex's response was the following:*

*"In theory, it seems logical if you pay x we can then provide that much again as the money is pending. However, with a credit card, the credit limit applied is the maximum a cardmember can spend in any given month."*

*I found this to be reasonable and as it wasn't possible for Mrs E and Mr E to spend £60000 without a credit limit increase, I further checked the file. However, the tape in which Mrs E and Mr E requested an increase to their credit limit also wasn't available. But, from listening to the calls which were available and looking at the £9400 increase given I think it likely they tried to increase their limit by the highest amount possible. Also, the increase needed to get a new limit of £60000 would've required an increase of nearly 150% and I think it unlikely that this would've been possible.*

*So, considering the above, even if the misinformation hadn't occurred, I can't see that Mrs E and Mr E have been subject to a financial detriment here, as regardless of the error they wouldn't have been able to spend £60000 on their card and receive the respective reward points.*

*I do though fully understand Mrs E and Mr E's frustration, as it's clear from their submissions that the mistake raised their expectations and also caused them embarrassment, distress*

*and inconvenience.*

*So, I then looked at Amex's goodwill gesture and the value of the 3000 reward points is approximately £60. When I consider the importance of the payment and the level of distress and embarrassment Mrs E and Mr E experienced when having to urgently arrange a different payment, I think the amount of compensation is low. And I think it should be increased to an offer of £150.*

*As their expectations were raised, I appreciate this will come as a disappointment to Mrs E and Mr E. However, when considering all the circumstances here I think this is a fair and reasonable amount of compensation.*

*My provisional decision*

*For the reasons I've given above, it's my provisional decision to uphold this complaint and I require:*

- *American Express Services Europe Limited (AESEL) to pay Mrs E and Mr E £150 compensation for the inconvenience and distress caused.*

*I'll look at anything else anyone wants to give me – so long as I get it before 4 March 2023. Unless that information changes my mind, my final decision is likely to be as I've set out above.*

**I invited both parties to let me have any further comments or evidence before the deadline.**

Amex agreed to increase the amount of compensation to £150.

However, Mr E expressed disappointment at the amount of compensation which he feels is insufficient. His additional comments include that he couldn't explore other options as he was misinformed that he could make 2 successive payments. Also, the anticipated 45,000 avios equates to £735.

### **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.

As Mrs E and Mr E feel the amount of compensation is inadequate and they missed the opportunity to get the equivalent of £735 reward points, I further reviewed the file together with my above provisional decision and our publicly available guidance on compensation.

I appreciate Mr E's point that the misinformation meant he couldn't explore other options. However, regarding Amex reward points, for the reasons detailed in my provisional decision I still think that they spent the maximum amount possible on their Amex card and it wouldn't have been possible to earn any more.

I do though fully understand the loss of expectation here, so I'm pleased to see that Amex agree to pay an additional amount of compensation for both the distress and inconvenience caused.

However, when further considering the impact here, together with the distress, inconvenience and loss of expectation, I still think that the amount of £150 to be fair and reasonable compensation in the circumstances.

So, I'm still upholding this complaint, but I'm not persuaded to increase the compensation from £150.

### **My final decision**

My final decision is to uphold this complaint and I require:

- American Express Services Europe Limited (AESEL) to pay Mrs E and Mr E £150 compensation for the inconvenience and distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 1 April 2023.

Paul Douglas  
**Ombudsman**