

The complaint

Mrs I complains American Express Services Europe Limited trading as American Express (AmEx) didn't properly explain the change in terms when she downgraded from one card to another.

What happened

In January 2022 Mrs I called AmEx and downgraded her credit card. She says the revised terms and conditions of the companion voucher she could get with the new card weren't explained to her. Specifically, that the new credit card companion vouchers were for economy only, whereas the previous card she had would issue vouchers for any class of seat. This was particularly important because she was looking to get a companion voucher for a special trip in December 2023 where her and her family were due to fly business class. Instead, the companion vouchers issued were for economy class as a result of the change. Mrs I says not wanting to split up the family, she paid an additional £4,500 for two business class tickets for the holiday, and would like the cost of these tickets refunded.

AmEx said Mrs I was told on the phone the new terms of the companion voucher – specifically that it was now for economy class only in the terms and conditions of the card she now had. AmEx also said Mrs I had listened to the call herself and confirmed the contents of the call.

As AmEx weren't refunding Mrs I the cost of the two business class tickets, she's asked us to look into things.

One of our Investigators did so but felt AmEx hadn't done anything wrong. Mrs I didn't accept this. She said it wasn't clear on the call, and her intention was to read the terms and conditions AmEx told her she'd receive, but the email she received on 7 January 2022 doesn't make it clear there has been a downgrade.

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 think it's important to make it clear I'd only uphold this complaint against AmEx if I'm satisfied the sole reason Mrs I has incurred the additional costs is due to their error. And, even if I were to uphold the complaint, I'd need to be satisfied Mrs I has taken steps to mitigate any costs she'd otherwise not have incurred but for AmEx's error.

Here, I've listened to the call. The agent says he's got some required reading to do and around 35 seconds into that says the companion vouchers can be used for economy only.

While I understand Mrs I doesn't think this was clear, I don't agree. I think the agent was clear on the phone about what the companion vouchers are now eligible for. The agent also gives Mrs I a website address of where the terms and conditions are. And the agent asks Mrs I if she wants to proceed, and she confirms she does.

In the circumstances, having listened to the call, I can't see AmEx did anything wrong at this point.

I know Mrs I has said the terms and conditions don't talk about the companion vouchers being downgraded.

She's right, they don't. They largely just talk about the operation of the credit card. But, page 14 of the terms and conditions do say the reward programme terms and conditions are issued by the relevant airline, and the terms and conditions for this can be found on their website.

While I can see that it certainly would have been helpful for AmEx to explicitly share the terms and conditions with Mrs I in writing – they did do so on the phone. I've noted Mrs I's point that her intention at the time was to read the terms and conditions and question further if she wasn't satisfied with that information. But, here, there was no information in what she was provided to talk about the changes in companion vouchers, though she was given a website to check her current situation. In my view that leaves two expected next steps from Mrs I – she checked the terms and conditions thoroughly, went on to the website, and was satisfied with what she found. Or, she didn't check. Either way, I can't legitimately say AmEx did anything wrong there.

Mrs I has also told us she was sent a link on 12 January 2023 to "learn more about companion vouchers" but this doesn't work. I don't doubt that'll be frustrating if that's the case – but I'm afraid it doesn't change my overall opinion in this case.

Mrs I called up to downgrade her credit card. The new terms regarding the companion voucher were, in my opinion, clearly explained to her and she accepted them. AmEx then sent her the relevant information she needed to work out what'd happened to her eligibility regarding her companion vouchers. Overall, I can't find AmEx have made any errors.

My final decision

For the reasons I've explained I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 8 March 2024.

Jon Pearce
Ombudsman