

The complaint

Mr M complains that American Express Services Europe Limited (AESEL) won't award him the reward points he believes he is due following his application for a credit card.

What happened

Mr M signed up for a credit card with AESEL on 12 June 2023. There was a fee of £575. Mr M said he called a few days later to confirm if he would qualify for the bonus of 60,000 reward points. He said he was told he would. Mr M said he then used the card for substantial purchases. In October Mr M spoke to AESEL again to see the progress of his bonus and he said he was told he didn't qualify due to a previous card he had held. He raised a complaint.

In its response AESEL said Mr M had been misinformed by the customer service team that he would qualify for the welcome bonus reward points. It applied £60 to his account as a goodwill gesture by way of apology.

Mr M wasn't happy and brought his complaint to this service. He said AESEL had refused to honour the 60,000 reward points. He said this was the main reason he took out the card and used it for spending. He said had he known he wasn't eligible for the points he would have cancelled the card straightaway.

Our investigator said that while AESEL had accepted it had provided incorrect information to Mr M he didn't think £60 reflected a fair reflection of the loss of expectation. He recommended AESEL pay a further £140 in compensation.

Mr M didn't agree. He said this wasn't a fair decision. AESEL also didn't agree. It said the recommended compensation of £140 was extremely steep. Both parties made additional comments to which I have responded below where appropriate.

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 agree with the conclusions reached by the investigator for the reasons I've outlined below.

AESEL provided screenshots of its website for the offer. Under the title "Eligibility" it says

"I understand I will not be eligible for any Welcome Bonus award if I hold or have held any personal Membership Rewards-enrolled American Express Cards in the past 24 months."

As Mr M had held an AESEL card within the previous 24 months he wasn't eligible for this offer. I'm satisfied the eligibility criteria was clear at the point of application.

AESEL has accepted it provided Mr M was incorrect information during the telephone call on 15 June, three days after the application. It said once a customer calls up the agents don't

necessarily see historic accounts a customer may have had. It said the agent would have seen the new card Mr M had opened and confirmed the welcome bonus but would not have looked to see if he had any historic accounts in the last two years which meant affected his eligibility.

When Mr M opened the account he had to pay a fee of £575. After the call in June Mr M then proceeded to use the account for four months under the impression that he would receive the bonus 60,000 points. Given the fee Mr M paid and the length of time between the incorrect information and when Mr M discovered he wasn't eligible for the points I do agree with the investigator £60 isn't a fair reflection of the loss of expectation given the error was AESEL's. I think a further £140 is fair and reasonable award in the circumstances.

Mr M said he balanced the fee of the card against the 60,000 points AESEL was offering. He said this was why he called to confirm he would be eligible. And he wants AESEL to honour the reward. He said had he known he wouldn't get the bonus he would have opened a card with a different provider that also had good deals. Mr M said he certainly would never pay such an amount, the £575 card fee, for nothing in return. I do understand that Mr M has paid a card fee and that his expectation was he would get the reward points. But I don't agree that he's had nothing in return. AESEL has said Mr M can still enjoy and use all the other benefits of the account, which include travel and lifestyle benefits and collecting membership rewards, even though he isn't eligible to receive the bonus. And while I acknowledge and AESEL accepts it gave incorrect information during the phone call the application form did state the eligibility criteria.

In its response to our investigator AESEL said the compensation suggested was extremely steep. It said AESEL has compensated what it believed be a fair and reasonable amount, bearing in mind that Mr M had already applied for the account prior to the call. It didn't believe this was a deciding factor of the application, as the opening criteria clearly states new applicants won't be eligible should they have had an account in 24 months. I understand AESEL's point of view, but Mr M did check his eligibility for the bonus points within three days of the application which indicates his intent was to collect them. And the incorrect information given during the call prevented Mr M from cancelling the card in good time. He was then under the impression he would be awarded the points for four months. So I believe an additional £140 is fair and reasonable.

Putting things right

To put things right American Express Services Europe Limited (AESEL) must pay Mr M £140 in compensation. AESEL should agree with Mr M if compensation should be paid into his credit card account or his bank account.

My final decision

My final decision is that I uphold this complaint and American Express Services Europe Limited (AESEL) should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 July 2024.

Maxine Sutton
Ombudsman