

The complaint

Mr P is complaining about the way American Express Services Europe Limited (AESEL) administered certain aspects of his credit card account.

What happened

Mr P signed up for a basic credit card with AESEL in early 2023. In October 2023, he paid £250 to AESEL to upgrade the card to a premium one. The premium card offered additional benefits, including an airline voucher when £10,000 had been spent on the card. AESEL told Mr P he'd met the qualifying limit on 22 October 2023. But Mr P hadn't received the voucher by 14 November 2023 and called AESEL to chase it up. When he did so, he told AESEL that he wanted the voucher to book flights on particular dates and would want the membership fee refunded if he couldn't get hold of the voucher.

When the voucher still didn't arrive, Mr P complained to AESEL, asking them to refund the £250 membership fee. In response, AESEL said they had done nothing wrong and said they'd contacted the airline to ask them to resolve the matter.

Mr P remained unhappy and brought the complaint to our service in early December 2023. A few days later he told us he'd booked the flights and was therefore looking for compensation for the flights as well as a refund of the membership fee. The voucher was subsequently issued on 21 December 2023.

One of our investigators looked into the complaint. Her view was that AESEL had been at least partly to blame for some of the delays in the voucher being issued to Mr P. But she didn't think they needed to refund the membership fee or cover the cost of the flights. She explained that there was no guarantee Mr P would have been able to use the voucher as he'd intended, and said he'd chosen to pay for the flights – so AESEL couldn't reasonably be held liable. Our investigator said AESEL had accepted her suggestion that they pay £200 to Mr P as compensation for the distress and inconvenience their delays had caused.

Mr P replied saying that wasn't enough. He said he was a very experienced travel agent and therefore could guarantee he'd have been able to use the voucher as he intended if it had been issued when it should have been. He added that when he decided to pay for the flights, he knew there would no longer be any possibility of using the voucher. And he thought the ticket prices would go up imminently.

Mr P added that he'd spent many hours on the phone to AESEL, which had caused him a lot of stress and wasted time and achieved nothing. He wasn't able to reach an agreement with our investigator, so the matter has come to me for a decision.

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, and acknowledging it'll be a disappointment to Mr P, I've reached the same outcome as our investigator. I'll explain why.

I've thought carefully about the extent of AESEL's failings in this case. From the evidence on file, it's clear Mr P qualified for the voucher, and AESEL notified him of this on 22 October 2023. When they did so, they told Mr P to contact the airline if he hadn't received the voucher within 14 days. And AESEL have told us that it is the airline's responsibility to issue the voucher, not theirs. The terms and conditions relating to the voucher are set by the airline. These state that a voucher will be posted to a customer's airline account once the airline has been informed by AESEL that the customer is eligible – and will normally reach the account within ten to fifteen working days. So on balance I'm satisfied that it was the airline's responsibility to issue the voucher and it would have been reasonable for Mr P to expect to receive it by 14 November 2023.

However, when Mr P phoned AESEL on 14 November 2023 they said they would follow up with the airline. In doing so, they were taking on at least partial responsibility for ensuring Mr P received his voucher.

I don't think AESEL then did enough – I've seen no evidence that there was any contact between AESEL and the airline other than an automated weekly chaser. And I've seen no evidence of any thorough investigation into the matter before 20 December 2023 – more than five weeks after Mr P raised the matter. When AESEL did thoroughly investigate, they were able to easily resolve the issue and Mr P received his voucher the next day. This adds weight to my conclusion that AESEL were at least partly responsible for the delays Mr P experienced – and AESEL have accepted this.

Putting things right

Mr P's clear that he wants to be refunded the £250 membership fee, and he wants AESEL to cover at least half of the cost of the flights he booked – which would be around £1,400. So I can understand why he wasn't happy with the £200 compensation our investigator suggested.

But I have to think about the position Mr P would most likely have been in if hadn't been for the delays AESEL contributed to – those between 14 November and 20 December. And I have to think about the position Mr P is in now.

Mr P is adamant that he would have been able to use the voucher as he wanted to if he'd received it on time. But AESEL says there's no guarantee that that would have been the case. And the voucher terms and conditions, as well as my own experience of similar schemes, support this view. In addition, Mr P says he decided to pay for the tickets in December there "*definitely*" would no longer be any possibility of using the voucher towards the cost of the flights. It's not clear how he's so certain that he would have been able to use the voucher during the last two weeks of November – he's not provided any evidence of this.

Mr P received the voucher in December 2023 and it had a 24-month validity – so he can still benefit from this. I appreciate that he particularly wanted to fly to a specific destination on specific dates and has missed any opportunity he might have had to use the voucher for this. But he does still have the benefit of the voucher. And Mr P has also been benefitting from other rewards associated with the upgraded account. As Mr P has had the benefits associated with the membership fee, I'm not persuaded it would be reasonable to direct AESEL to refund this fee.

I also don't think it would be fair or reasonable to compensate Mr P for the flights he chose to book – I've seen nothing to persuade me that he'd have definitely been able to use the voucher for those flights if AESEL had taken steps to investigate and resolve the issue on a more timely basis. And he'll have been able to use the voucher to reduce the cost of other flights.

However, I do think AESEL should compensate Mr P for the upset the delays caused him. Whilst I haven't seen the full contact history between Mr P and AESEL, it's apparent that the matter was causing Mr P both stress and inconvenience. I'm satisfied that £200 is a fair amount to reflect the fact the delay lasted a few weeks and took a reasonable amount of effort for Mr P to sort out.

My final decision

As I've explained above, I'm upholding this complaint. American Express Services Europe Limited (AESEL) need to pay £200 to Mr P to settle the matter.

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

Clare King
Ombudsman