

The complaint

Miss M complains that she was misadvised by American Express Services Europe Limited (“AESEL”) about her American Express British Airways Premium Plus account.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

While I think AESEL need to refund the annual fees on this account to Miss M, I am not persuaded that they need to refund any interest that has accrued on the account. I’ll explain why.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

Miss M was initially concerned that she’d been told she had to maintain the account and continue paying the annual fee, in order to benefit from a companion voucher she had already been awarded but that she later discovered had expired in April 2021. Our investigator thought it likely that Miss M had been misadvised. While AESEL’s account notes didn’t explain that was what had happened, Miss M’s notes from the time suggested that may well have been the case and having considered them I would agree. AESEL agreed to refund the annual management fees Miss M incurred. They totalled £516.24. I think that was fair of them.

Miss M says they should also refund interest that has been charged on the account, but no interest has been charged on the annual fees, and the interest that is present has been accrued as a result of purchases made when the card was being used. Miss M says that AESEL failed to explain what interest wasn’t related to the annual charge. She says their failure to break this down prevented her from paying the interest off and led to further interest being charged while her complaint was being processed. There’s no mention of that in AESEL’s account notes and I think the interest applied would have been clearly set out in the statements Miss M was receiving so she should have been aware of it. The fact interest was not being charged on her annual management fees would also have been apparent from the terms and conditions of her account. In those circumstances, I don’t think it would be fair to ask AESEL to waive that interest, but I am asking them to refund the annual fees.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell American Express Services Europe Limited to refund annual fees totalling £516.24.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 17 July 2024.

Phillip McMahon
Ombudsman