

The complaint

Miss A complains that American Express Services Europe Limited trading as American Express (“AESEL”) provided her with a reward voucher that had an incorrect expiry date.

What happened

Miss A holds a credit card issued by AESEL. That card provides Miss A with benefits she can use when booking flight tickets with a major airline. Specifically, when reaching a qualifying annual spend on the credit card, Miss A is eligible to receive a companion voucher allowing her to book two flights for the reward points needed for one flight. The companion vouchers are valid for a period of one year.

The companion vouchers are actually issued by the airline. So, when the qualifying spend level is reached, AESEL sends confirmation to the airline so the voucher can be issued. AESEL accepts that due to a system error that notification was sent to the airline in respect of Miss A’s account in February 2023 rather than the correct April 2023. Miss A’s credit card statements confirmed she had not qualified for the voucher in February, but did so in April.

When Miss A was starting to consider booking the reward flights, in January 2024, she noticed the incorrect expiry date on her voucher. So she complained to AESEL and asked that it be amended. AESEL accepted the date was incorrect but said it needed to contact the airline for the change to be made. AESEL later said it hadn’t received a response from the airline to its request but said it would continue to try and resolve the issue. It paid Miss A £100 for the inconvenience she’d been caused. Unhappy with that response Miss A brought her complaint to us.

Whilst we were looking at the complaint AESEL confirmed that it had amended the expiry date on Miss A’s voucher to 26 June 2024. But our investigator didn’t think that was sufficient to allow Miss A to reasonably use the voucher. So she asked AESEL to further extend the expiry date to April 2025.

Miss A accepted the investigator’s recommendations. But AESEL didn’t agree. It said that it thought Miss A had ample time to notice the expiry date was wrong and get it corrected. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process. If Miss A accepts my decision it is legally binding on both parties.

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.

In deciding this complaint I’ve taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Miss A and by AESEL. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words

I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

AESEL accepts that the voucher issued to Miss A bore an incorrect expiry date due to its error requesting the voucher from the airline two months early. I don't think it is reasonable for AESEL to expect Miss A to have examined the voucher, and particularly its expiry date, in great detail when it was issued to her. The credit card statement she was sent told her when the voucher had been triggered, and the terms and conditions of the card told her the voucher would be valid for one year.

The voucher can only be used in certain circumstances – for booking flights that are available on the airline's reward scheme. So a consumer might need some time to align their holiday plans with reward flight availability. I think the three to four months that Miss A allowed for that process was sufficient. So it is clear that she would have been very frustrated that AESEL was unable to correct its error in a timely manner.

By the time AESEL was in a position to extend the expiry date of the voucher, it is highly likely that Miss A's plans would have changed. She would most probably have made other holiday arrangements, or booked the necessary flights using cash. So I don't consider the short extension to the voucher, following AESEL's repeated failures to correct the problem when Miss A was looking to book her flight, is sufficient.

I think the recommendation made by our investigator, to provide an extension of one year to the voucher's expiry date is a fair way of putting things right here. Providing that extension allows Miss A the opportunity to make use of the voucher at a time that fits with her circumstances.

There is no doubt this matter will have caused some frustration to Miss A and necessitated some revisions to her flight plans. I have thought carefully about the compensation that would be reasonable in circumstances like these. But having done so I think that the £100 AESEL has already paid to Miss A is fair.

Putting things right

AESEL should either extend the expiry date of Miss A's companion voucher that was issued in 2023 to 26 April 2025, or should that voucher have now been cancelled, arrange for a replacement to be issued with an expiry date of 26 April 2025. AESEL should ensure Miss A receives the replacement voucher, or written confirmation of the revised expiry date, within 28 days of being notified of her acceptance of this final decision.

My final decision

My final decision is that I uphold Miss A's complaint and direct American Express Services Europe Limited trading as American Express to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 4 October 2024.

Paul Reilly
Ombudsman