

The complaint

Mr H complains that American Express Services Europe Limited (AESEL) misled him about being able to transfer offers available on a charge card to a new credit card. Mr H says he was financially disadvantaged by this which was unfair.

What happened

Mr H had a charge card with AESEL and used the various benefits that came with the account. As a cardholder he would also receive a number of offers which included cashback on certain expenditures. Mr H says that he valued the offers that were provided with the card as well as the other benefits that were provided.

In October 2023 Mr H's charge card was due to be renewed. He decided to look into changing the card to a credit card instead as this had some additional features, in particular it had the facility for cash withdrawals. Mr H called AESEL and asked about applying for a credit card in the place of his charge card. He asked the agent if the benefits would be the same and was reassured that they would be, save that the credit card allowed only one supplementary card. Mr H decided to change cards and cancelled the charge card.

Mr H was later disappointed to find that the offers he had saved on his charge card account had not been transferred over to his credit card. He said he had been intending to use one of the offers which provided that if he spent £2,000 on travel, he would receive £300 credit on his statement as he had a trip planned for the New Year. He had saved this offer ready to use on his charge card account.

Mr H complained to AESEL about being misled that the offers available on his charge card would transfer over to his credit card when that wasn't the case. AESEL didn't uphold his complaint. It said that offers weren't benefits and so the agent hadn't made an error when telling him the benefits of the charge card would still be available to him. It said offers varied across its customers and were designed to assist them maximise the use of their product. AESEL said that the marketing offers were an optional benefit, and it reserved the right to target select customers. It said offers weren't a core benefit.

Mr H was unhappy at AESEL's response and complained to this service. He said that looking at AESEL's own literature about its charge and credit cards, offers were described as being benefits of holding an account.

Our investigator didn't recommend that Mr H's complaint should be upheld. He said that having listened to the call, although the agent had stated that the existing benefits would still be available, Mr H hadn't raised the cashback offer specifically and so the agent hadn't misinformed him about retaining that particular offer. Had he done so, then said our investigator, it could be argued that Mr H had only taken out the credit card as he would have still had access to the cashback offer. Our investigator said it appeared that the driver for Mr H applying for the credit card was to have the cash advance facility.

Mr H disagreed with the view of our investigator. He said that he provided evidence by way of AESEL's own literature showing that offers fell under the umbrella of being a benefit. And,

so when he had asked about the benefits remaining unchanged if took a credit card in place of the charge card, it was reasonable for him to have taken that as meaning this also applied to the offers. He said it was unfair to say that because he hadn't specifically asked AESEL about the offers continuing that he hadn't been misled by the agent.

As the parties were unable to agree the complaint was passed to me. I issued a provisional decision along the following lines.

Looking at the screenshots provided by Mr H as to how the offers that were made to customers with charge cards had been advertised, I could see that they were described as being benefits for the cardholder. They were even placed under the heading "*Amex Benefits*". I'd also seen that AESEL referred to the offers as "*an optional benefit to the account*", it said they weren't a "*core benefit*."

I thought that although the offers would vary from customer to customer and that there was a discretion for AESEL as what it would make available, that it was reasonable to say that these offers were a benefit of holding a charge or credit card account. I didn't think the difference between offers being a core or optional benefit would mean that they didn't fall into the category of being an advantage from holding a card with AESEL.

So, I was satisfied that it was reasonable for Mr H to have considered the offers he'd received via his charge card as a benefit of having that card. He had been able to, as he was with the other benefits, to choose to use them or not. And listening to the call between Mr H and AESEL's agent I thought when Mr H had been asking about the difference between the credit and charge card that it would have been fair for the agent to advise him that any offers would expire when the charge card was cancelled. Mr H had been, I thought, clear when he asked whether "*anything else that would be different?*" and had been assured that other than the supplementary card there would be no differences.

I disagreed with our investigator that Mr H had needed to specifically raise the cashback offer to be able to argue he had been misled. I thought Mr H had asked clearly about what the differences were between the two cards and that AESEL had acted unfairly in not informing him that existing and saved offers wouldn't be carried over to a different card.

Mr H had explained he had particularly wanted to take advantage of a cashback offer if he spent £2,000 or more on travel as he had a planned trip that would meet the criteria. He said that the loss of the offer meant he had lost out on a £300 cashback. He also said that although he had been interested in the cash advance facility, he hadn't used it since he took the credit card so that hadn't been a significant advantage to him over having the charge card.

So as set out above, I thought on the evidence I'd seen, that AESEL should have informed Mr H when he made his enquiries about changing from a charge card to a credit card that he would lose offers already made available to him if he did so. I also thought that if Mr H had been made aware that he would lose this particular offer, that he wouldn't have changed from a charge card to a credit card. He had been making use of the charge card and although the cash advance facility which had come with the credit card would have been an extra benefit for him, I didn't think this would have overridden the loss of the cashback offer.

So, I didn't think AESEL had acted fairly here, and I intended to uphold Mr H's complaint. I was also going to ask AESEL to pay Mr H £300 compensation for the loss of the cashback offer that he had wished to take advantage of. This would put him back in the position he would have been in had he been informed that he would lose the offers if he changed cards.

Mr H has agreed with my provisional view. AESEL says that although it disagrees with my

conclusion in the interest of customer service it will accept 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.

Although neither party has asked me to review my provisional decision, I have re-considered the evidence and the conclusions I had reached. I haven't changed my mind.

I still think that AESEL has acted unfairly here. Mr H had been clear that he wanted to know what the differences would be if he changed from a charge card to a credit card. And on making that inquiry with AESEL I think he should have been informed that he would lose any offers, particularly if he had saved them, if he changed accounts. Had Mr H known he wouldn't be able to take advantage of the travel offer he'd saved then I don't think he would have changed to the credit card account.

So, for the reasons give above, I'm upholding Mr H's complaint.

Putting things right

I'm asking AESEL to pay Mr H £300 as compensation for its handling of his enquiries about changing his charge card to a credit card. This has resulted in Mr H being financially disadvantaged.

My final decision

For the reasons set out above, I'm upholding Mr H's complaint. I'm asking American Express Services Europe Limited to pay Mr H £300 as compensation for its handling of his enquiries about changing his charge card to a credit card. This has resulted in Mr H being financially disadvantaged.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 September 2024.

Jocelyn Griffith
Ombudsman