

## **The complaint**

Ms M complains that American Express Services Europe Limited (AESEL) provided misleading and unclear information about how the spending on her new card would count towards her companion voucher.

## **What happened**

Ms M had a Premium Plus AESEL credit card. She received a companion voucher on her account before downgrading her card to a standard AESEL credit card. She said she was told that any spending would then count towards her new standard credit card so that she would be able to receive a companion voucher once this had reached £12,000. She said that because of this she made large transactions but was then told that any spending before 25 July 2024 could not count towards a companion voucher as she had already received this for the period. She said this meant that £3,800 of spending was wasted as it didn't count towards her companion voucher.

Ms M said AESEL initially offered her 2,000 points as compensation and then increased this to 6,000 points but she said this wasn't enough to compensate for the spending that hadn't contributed towards her companion voucher.

AESEL issued a final response dated 5 August 2024. It said that Ms M contacted it through its live chat on 28 June 2024 asking to downgrade her credit card from a Premium Plus credit card to a standard credit card. It said that Ms M was told there would be no change to her account number and membership year and that she could continue to use her Premium Plus credit card until she activated her new standard credit card. It said that Ms M could only earn one companion voucher after meeting the required spend within the membership year.

Ms M wasn't satisfied with AESEL's response and referred her complaint to this service.

Our investigator didn't uphold this complaint. He said that the chat history showed that AESEL had made it clear that Ms M's membership year would stay the same and that she could only earn one companion voucher a year. He noted that AESEL had offered to provide Ms M with 6,000 points and he didn't think it was required to do anything more.

Ms M didn't agree with our investigator's view. She said that AESEL didn't provide clear terms for the downgrade and that in the chat she was just provided a link to the standard terms which resulted in her believing she was receiving a new credit card with a new membership year. She said that when she used the chat facility to clarify the terms, she asked on several occasions about whether her immediate spending would count towards a new companion voucher. She said that given the nature of her questions AESEL should have made it clear that spending before the 25 July 2024, wouldn't count towards a companion voucher. Instead, she said she was told that any changes made after the card switch would count towards her new standard credit card. She said this led her to believe that any spending from that point would count towards a new companion voucher. She said it was only when she contacted AESEL to track her progress towards the companion voucher that she was told about the 25 July membership renewal date by which time she had already made some large transactions.

Ms M said that AESEL hadn't made it clear that her original membership period would remain unchanged, and this was key to her complaint. She said that she hadn't received the 6,000 points offered by AESEL as she didn't think this was sufficient compensation.

Our investigator responded to Ms M's comments. He acknowledged that Ms M wasn't provided with specific information about the points earning towards the companion voucher until she asked about this on 28 July 2024. However he said she was provided with the general terms and conditions on 27 June 2024, and these stated that the membership year would remain the same. Given this he didn't think that AESEL had provided any incorrect information.

Ms M responded to our investigator's comments. She said that on 27 June 2024, AESEL informed her that if she was eligible for the new standard credit card, she would receive this and her new terms and conditions within 10 working days. She said she didn't receive any new terms and conditions stating that her membership year would remain the same. She said her questions on 28 June 2024 made it clear that she wanted to understand how her spending would count towards a new companion voucher. She said that AESEL's offer of 6,000 points was an acknowledgement that it had done something wrong.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue 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.

I note Ms M's concerns with the investigation, and I can assure her that, even if I do not comment on every point she has raised, I have considered all the evidence that has been provided when reaching my decision. When making a decision, I take all relevant rules, regulations and guidance into account, but my decision is based on what I consider fair and reasonable given the unique circumstances of the complaint.

Ms M has said that she was provided with misleading and unclear information when she downgraded her AESEL credit card. Because of this she was unaware that spending before 25 July 2024 wouldn't count towards her next companion voucher, and she made some large transactions during this period. I understand why Ms M is upset by the circumstances of this complaint but for me to uphold it I would need to be satisfied that AESEL had done something wrong or treated Ms M unfairly.

Ms M had a Premium Plus credit card and she had been awarded a companion voucher in line with the account terms on 12 May 2024. AESEL's account terms set out that an account holder is only entitled to receive one companion voucher in a 12-month period once they have reached the required spend threshold. The terms state that the 12-month period ends on the anniversary of the card account start date. Based on when Ms M opened her AESEL account, her 12-month membership period runs from 25 July to 24 July of the following year. As Ms M was awarded a companion voucher on 12 May 2024, I find that AESEL was acting within the account terms and conditions by saying that Ms M needed to wait until the next membership year (25 July 2024) before she could start earning towards a new companion voucher.

While AESEL has acted in line with its terms and conditions in regard to Ms M's account and companion voucher, this doesn't necessarily mean that it has provided her with the service it should have in regard to this. Ms M has said that she wasn't provided with the information she needed when she contacted AESEL about downgrading her credit card. I have therefore

considered what information Ms M requested and whether AESEL provided a reasonable response to this.

Ms M contacted AESEL on 27 June 2024, through AESEL's online chat facility to ask about downgrading her credit card account to an account with no annual fee. She noted that she had received a companion voucher on her existing credit card and asked if this would be affected by the downgrade. It was confirmed that the companion voucher wouldn't be affected and AESEL also responded to Ms M's questions about her credit limit not changing and a partial refund of her membership fee. During this communication, AESEL explained that Ms M's account would remain the same, but the card and terms would change to reflect those of the standard credit card. It was confirmed that Ms M opened her account on 24 July 2023 and a link was provided to the standard credit card details.

Ms M contacted AESEL again later that day to confirm that she wished to change her credit card. At this time, she was provided with information that included how points could be earned and that only one companion voucher could be earned per membership year. The chat then said that if Ms M was eligible for the new card, she would receive this and the new terms and conditions within 10 working days. It said that there would be no change to Ms M's account number or membership year. While I understand that Ms M didn't review a copy of the new terms and conditions, I find that she was informed as part of the online chat that her membership year wouldn't change. As she had been provided with information earlier that day about when her account was opened and that only one companion voucher would be awarded in a 12-month period, I find that she was provided with information about how the companion voucher would work if she downgraded her credit card.

There was then a system issue which meant Ms M's downgrade request couldn't be made and she was asked to contact AESEL after a few hours. Ms M contacted AESEL on 28 June 2024, to see if her credit card had been changed. This hadn't happened and so the request was then actioned.

Ms M then made further contact with AESEL during the day. She asked if, before she received the new credit card, any online purchases she made would count towards her old card or new card. Ms M was told they would count towards her new card. Ms M then asked about her pending transactions from her Premium Plus card and how the points would be allocated for these. AESEL confirmed these would be allocated to Ms M's new card. Up to this point Ms M hadn't asked about the companion voucher just how her transactions would be treated, and the associated points allocated. I have nothing to suggest the information given at this point was incorrect.

Ms M then noted that she would need to spend £12,000 on her new credit card to get a companion voucher and asked if her pending transactions from her Premium Plus card would be counted on the new card. AESEL said that the spending would be counted towards the current card's voucher. I think that AESEL could have provided Ms M with clearer information at this point. While I do not find I can say the response was incorrect as the spending was being allocated to the new credit card, I think it would have been helpful at this point for AESEL to clarify that this was subject to the companion voucher terms (being one voucher in a 12 month membership period) to prevent any misunderstanding. That said, Ms M had been told about companion vouchers only being awarded once in a 12-month period and her membership year was confirmed to her the day before. So, while I think the response to Ms M's question could have been clearer, I do not find this is enough to say that AESEL provided inaccurate information.

AESEL has offered to allocate 6,000 points to Ms M's account in response to the issues she has raised. I understand that Ms M doesn't think this is enough but taking everything into account, and as I cannot say that AESEL has done anything wrong by not changing Ms M's

membership period when she changed her credit card (and noting that it told her this wouldn't change) I find this a fair resolution to this complaint.

### **My final decision**

My final decision is that American Express Services Europe Limited (AESEL) should, as it has offered (and to the extent this hasn't already happened) provide Ms M with the additional 6,000 points to her account in recognition of the issue raised in this complaint.

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

Jane Archer  
**Ombudsman**