

The complaint

Mr S complains that AMERICAN EXPRESS SERVICES EUROPE LIMITED (Amex) treated him unfairly, by requiring him to use his Amex card to book a hotel room, and to pay for incidental expenses, in order to benefit from their Fine Hotels + Resorts (FHR) program.

What happened

Mr S holds an Amex credit card. As an Amex card member, Mr S is able to access a card-member benefit known as the “Fine Hotels + Resorts (FHR) Program”. The program offers particular rewards at a number of specific, hand-selected hotels, around the world, which include, but aren’t limited to perks such as: late checkouts, room upgrades and complimentary breakfasts. When booking hotels through this program, it seems, at least on this occasion, that there is an option to pay either in advance when booking, or, at the hotel directly.

Mr S booked a trip to Mallorca through the FHR program. And he was due to be paying the hotel directly for both the room and some incidental costs charged to his room. Upon checkout, he attempted to pay for the room itself using his Amex card (which he initially accepted was a requirement of the FHR program); and for the incidentals – like room service – using another card (so as not to incur what he deemed to be unnecessary foreign exchange (FX) fees).

However, upon attempting the above, Mr S was informed by hotel staff that it was a requirement of the FHR program that he pay for all costs - including charges to his room - using his Amex card. And he was shown a copy of the terms and conditions that the hotel agreed with Amex confirming this. Unhappy, Mr S complained to Amex. He said he didn’t think it was fair that he was being made to use his Amex card to pay for incidental costs, which he said had nothing to do with the booking itself.

Amex responded. They said they felt their terms were fair, which required customers to pay for any reservations made using either their Amex card, or their membership rewards points. And while possible to pay using a different card on checkout, upon doing so, customers would forego any benefits included under the FHR program, which would then become chargeable. They explained however that customers were able to pay for any incidental expenses using a non-Amex card, but the payment methods that could be used would be at the hotel’s discretion. So, Amex agreed to refund the £2.99 FX fee Mr S accrued as a result.

But Mr S remained unhappy and brought his complaint to our service. When doing so, he also added that he wanted Amex to review all previous bookings he had made under the FHR program, to see if he’d been charged any FX fees, and requested they be returned. He said it was now his view that neither the room, nor any extras should have to be paid using an Amex card, as it restricted his freedom of choice.

Amex however, said this new issue had not been raised with them, and they had not been provided with records of any incidental charges Mr S may have incurred on other bookings. But, in the absence of this evidence, they did agree to pay Mr S £75 as a gesture of good will in full and final settlement of that matter outside of this complaint.

An investigator considered Mr S's complaint, and recommended it be upheld. He said that while he was satisfied it was reasonable for his room booking to be paid for, using an Amex card, he felt Mr S should be free to pay for any incidental costs using a payment method of his choosing. And he said that the terms provided to the hotel and those provided to customers should reflect the same information. So, he thought it was right of Amex to refund the £2.99 fee in the circumstances. He also recommended that Amex pay Mr S £100 for the distress and inconvenience this current matter had caused. He made no finding on the new points raised for which Amex had offered a £75 compensation payment.

Amex accepted the Investigator's findings, but Mr S remained unhappy, and reiterated; that Amex were not making clear the FX fees applicable up front; that they should provide evidence they have communicated with all FHR hotels, informing them that there is no requirement for customers to pay for incidentals using their Amex cards; and, if they can't, then they should agree to waive any subsequent FX fees incurred.

So as both parties are still in disagreement, the case has been passed to me, to decide.

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.

The issue of whether or not it's reasonable for Amex to require - as part of their FHR program - that customers pay for incidentals using their Amex card, I feel has now been resolved. Amex have confirmed this isn't a requirement, despite the terms Mr S has highlighted between Amex and a partner hotel; and Amex have agreed to refund any associated fees Mr S incurred, as a result of paying for those costs using his Amex for the above trip. So, I won't make any further finding on this matter, other than to say I think it was fair of Amex to refund the additional costs associated with Mr S's spend on incidentals during the above trip on his Amex card, given what Amex have said about this matter.

The next issue Mr S has highlighted is that he expects that Amex provide either evidence that they have contacted all hotels within their group to confirm that incidental costs are not required to be paid for using an Amex card; or, if they're unable to, that they agree to refund or remove any associated FX fees customers incur as a result, given he thinks Amex have not made clear what the FX fees are up front.

It's important to highlight, that my role, as an Ombudsman, is to reach a fair and impartial decision, based on the circumstances of the particular complaint I am looking at. This does not extend to telling businesses, on a wholesale level, what changes they should make to their terms for instance; or, getting confirmation that they have provided clarity to an entire group of hotels on particular aspects their overarching terms - this is not within my remit. So, while I appreciate Mr S feels strongly about this, I won't be instructing Amex to carry out either of the above requests he has made.

Also, as Mr S's initial complaint was not about the historic fees charged for incidentals trips (for which Amex have now offered £75 compensation in full and final settlement of), I make no finding on this element of the complaint, or the compensation offered. All I can consider, in this review, is what Mr S complained to Amex about and what it had the opportunity to respond to. Any further points will need to be raised and addressed separately.

So, the key point left for me to decide here, is whether or not I think it's reasonable for Amex to require customers to use their Amex card when booking hotel rooms, in order to obtain the benefits provided under their FHR program, when FX fees are attached.

It's key to note that the FHR program is a member benefit. It's something customers are able to take advantage of, as an added feature of their Amex card account, should they wish to. It's not compulsory. But in choosing to use this feature, customers are afforded certain perks or benefits, when booking a stay.

Also, it's key to highlight that FX fees are not uncommon. And by the nature of making a booking for a hotel in another country, these charges are likely to be applied, dependant on where and when payment is made for that booking, and the currency used.

Moreover, as a fairly general point, my view is that it's not inherently unreasonable for a business, when providing a particular product, to have requirements in order for the benefits of that product to be accessed. This isn't uncommon and I think it reasonable to say that the FHR program, from Amex's position, is likely designed to allow customers to access these account features, while in return, gaining a benefit from having customers use their Amex card to pay for them. Again, this doesn't seem inherently unreasonable.

I appreciate Mr S feels that requiring him to pay for a booking using his Amex card when booking through the FHR program signifies a lack of 'freedom of choice'. But Mr S has the choice to book a holiday through whichever company he so chooses. And it's not a requirement of his Amex card that the only trips he now takes, need to be booked using Amex's FHR program.

I appreciate Mr S's complaint here seems to be driven by a lack of clarity on the FX fees he would be charged up front, and his concerns arise from instances where FX fees are payable, rather than necessarily in every situation. But as I've set out above, I don't think it's uncommon for these types of fees to be included in situations where payments are being made for an overseas booking.

So, in this instance, I accept Mr S did pay slightly more than he was expecting for his overall booking, as a result of an FX fee charged upon checkout. But this was comparatively speaking a small amount, and I'm satisfied that the £100 compensation the investigator recommended, is more than sufficient to cover both the distress caused, and the small financial loss experienced, as a result of the FX fee being added to his final bill.

So, while I appreciate this may come as a disappointment to Mr S, I'm satisfied the £100 compensation the investigator recommended is sufficient in the circumstances, and I won't be instructing Amex to do anything further.

My final decision

My final decision is that I uphold Mr S's complaint, and if they haven't already, AMERICAN EXPRESS SERVICES EUROPE LIMITED should pay Mr S £100 compensation for any distress this matter may have caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 July 2025.

Brad McIlquham
Ombudsman