

## **The complaint**

Mr T and X (a business) complain that American Express Services Europe Limited trading as American Express provided incorrect advice following the redemption of rewards points earned on their accounts.

## **What happened**

This complaint is brought by both Mr T and X. They are represented by Mrs T but, for ease of reading throughout this decision, I'll refer to all submissions as having been made by Mr T.

Mr T and X hold a business charge card account with American Express. Mr T also holds a personal credit card account with American Express. Both accounts benefit from a rewards programme, which is subject to separate terms and conditions. Under the programme, rewards points are earned through spending on the cards. The points accrue in a single points account in Mr T's name. He is then able to redeem the points by exchanging them for rewards, including gift cards and e-codes. Gift card and e-code redemptions are subject to separate terms and conditions with the gift card supplier (who I'll call B).

In 2024, Mr T redeemed 240,000 points against travel gift cards which he planned to use to book flights. The gift cards didn't arrive straight away, so he called American Express. He was told that it could take up to ten working days for the cards to arrive. Mr T didn't want to wait that long to book the flights. He says the agent advised him to pay for the flights by another method and then request a refund for the gift cards. Mr T went ahead with the flight booking, using more rewards points to pay for the flights. But when he called American Express the next day to ask for a refund for the gift cards, he was told this wasn't possible.

Mr T made a complaint. American Express said that the gift cards were non-refundable. It said this was set out in the relevant terms and conditions, which Mr T had accepted when redeeming his points. So American Express didn't agree to refund the points. But it accepted that its agent had given Mr T incorrect information, so it credited his account with £50 as a gesture of goodwill.

Mr T wasn't happy with this and brought the complaint to this service. He said he'd used rewards points worth around £1,000 on gift cards he has no use for. He said that, if he'd been given correct advice, he would have waited for the gift cards to arrive and then used them to pay for the flights. But, because he used further points instead, he said he's out of pocket and this is because of American Express's mistake.

I issued a provisional decision on 6 November 2025 indicating my intention to uphold the complaint. I invited comments from the parties in relation to the proposed redress, particularly regarding the expiry of the gift cards. I have heard back from both parties and I'm now able to make a final decision about the complaint.

## **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.

Under the terms and conditions of the rewards programme, once Mr T has redeemed points this cannot be reversed. The gift card and e-code terms and conditions say that no changes can be made to a gift card order once it has been placed by Mr T and provided to B. So, the starting point is that Mr T wasn't entitled to a points refund or cancellation of his order.

But Mr T was incorrectly advised about this during his first call to American Express. American Express doesn't dispute this. So the outstanding issue is how Mr T should be compensated for this mistake.

I don't find there to have been any error by American Express in the processing of the points redemption and ordering of the gift cards; it carried this out in line with Mr T's instructions. Its mistake was that it gave Mr T incorrect information about whether the points redemption could be undone. Mr T had already redeemed the points by this stage, with no involvement from American Express. He didn't redeem the points in reliance on any misunderstanding caused by American Express. And it was clear from the terms and conditions that the redemption of points is irreversible.

But the information given by American Express following the points redemption was incorrect. Mr T says that the agent advised him to pay for the flights with points from his rewards points account and then request a refund for the gift cards the next day. Mr T says he followed this advice, only to be told that a refund wasn't possible when he called back. So, he says that American Express's error caused him loss.

I've listened to the relevant call. The agent indicated that she could cancel the gift cards and asked if Mr T wanted to do that now or wait. She said that some people receive the cards within six hours but otherwise they could take up to ten days to arrive. She said that if Mr T didn't receive the cards within six hours and still wanted to cancel them, American Express would be able to do that. It was left that Mr T would wait and if the cards hadn't arrived in the morning he could call back and cancel them.

This information was incorrect; American Express couldn't cancel the gift cards. I think that Mr T acted in reliance on this wrong information when he decided to use further points to pay for the flights. I don't think he'd have done this if he'd been told that the gift card order couldn't be reversed. He says he'd have waited to receive the gift cards. Mr T has potentially suffered a loss as a result of the actions he took in reliance on the incorrect information. But there are other factors here which make me think that American Express is not fully responsible for any such loss.

Firstly, I haven't seen anything to suggest that American Express did anything wrong in terms of the timescale for providing the gift cards. The delivery wasn't delayed; it was simply longer than Mr T wanted to wait. Mr T accepts this. But he says his need to receive the cards quickly was not due to impatience or a matter of preference. Rather, he says it was a direct result of his travel needs; he made plans at the last minute and needed to book flights that week but didn't want to leave it too late. I can understand this. But this approach was incompatible with the gift card process to some extent and I don't think American Express was at fault for that.

I think Mr T could have found out the timescale for receiving gift cards before completing the gift card order. I also note that the email he received from American Express when he redeemed the rewards points (which confirmed he had ordered travel e-codes), said that he would receive e-codes in a separate email within the next 48 hours. That is a much shorter timescale than the agent told him on the call. The information given on the call ought to have

been correct. But, given the discrepancy with what was said in the email, I think it would have been reasonable for Mr T to query this with the agent and/or wait 48 hours.

The gift cards did arrive within 48 hours. But, by that time, Mr T had already booked the flights, having decided to “double spend” temporarily and then seek a refund of the original points. Whilst I don’t think he would have done this if he hadn’t been told that the gift cards could be cancelled, I think Mr T’s desire to book the flights quickly was a factor which contributed to the double spending. It was a factor which was outside American Express’s control, and I don’t think American Express could have known that Mr T would do this from the way the call had been left.

I find that the agent didn’t tell Mr T to pay for the flights by another method and then request a refund for the gift cards. And Mr T didn’t say he was going to do this. I don’t know if the agent’s advice would have changed if he’d told her that. But I think that Mr T was taking a risk to some extent by buying the flights before he had secured the cancellation of the gift cards. I don’t think it was American Express’s fault that he chose not to wait.

I think these factors reduce American Express’s share of the responsibility for any loss Mr T has suffered.

I said above that Mr T has potentially suffered a loss. I don’t think the loss is certain yet because he still has the gift cards. They were valid from July 2024 and are still usable. So, Mr T has had quite a long window of opportunity to use the cards and benefit from those points and could still do so. Mr T has confirmed that the cards will expire on 9 January 2026. If he hasn’t used them by then, he will lose the value of the 240,000 rewards points he used to obtain the cards. Mr T says he has no plans to use them. But American Express has raised a valid concern that he could benefit twice if it gives him rewards points as compensation while he still has the cards, because the cards can’t be cancelled. The parties have now agreed that a fair way of dealing with this is to wait until the cards have expired unused before American Express makes any redress.

I think American Express does need to compensate Mr T for its mistake here. And I think a refund of some rewards points would be the most appropriate way to do that. I don’t think the 25,000 points which American Express offered reflects the impact of its mistake. In my provisional decision, I recommended that it should credit Mr T’s account with 100,000 rewards points. American Express agreed to this. But Mr T said that, once the cards have expired unused, a full refund of 240,000 points would be the fair resolution.

I’ve considered Mr T’s comments carefully. I’m sorry to disappoint him but, as I explained above, I think there are several factors here which reduce American Express’s responsibility for the loss. So I don’t think it needs to refund the full 240,000 points. I still think 100,000 points is a fair amount of compensation in the circumstances.

So I’m going to direct American Express to credit Mr T’s points account with 100,000 points once the gift cards have expired unused. Mr T has provided details of the gift cards and American Express has confirmed that it will be able to check if they have expired unused in order to implement this redress.

### **My final decision**

For the reasons above, I uphold this complaint and make the following direction:

Within 14 days of the expiry of the unused gift cards (the expiry date being 9 January 2026), American Express Services Europe Limited trading as American Express should credit Mr T’s points account with 100,000 rewards points.

Under the rules of the Financial Ombudsman Service, I'm required to ask X and Mr T to accept or reject my decision before 9 January 2026.

Katy Kidd  
**Ombudsman**