

## **complaint**

Mr J is unhappy American Express Services Europe Limited (Amex) has not honoured one of the benefits he says is promised with his British Airways (BA) credit card.

## **background**

A BA Amex credit card awards Avios points according to a customer's spending on their card. These points are transferred to the customer's BA Executive Club account with BA, which can then be redeemed against flights. After reaching a particular threshold of spending, a customer qualifies for a Companion Voucher. A Companion Voucher can be redeemed for another person to accompany the customer on a flight bought using Avios points.

In September 2016 Mr J let Amex know he wished to change from a Premium credit card to a Standard credit card. This change came into effect on 3 October 2016.

Mr J received statements for his Standard card which showed what he needed to spend in order to qualify for a Companion Voucher. This information was also on his Amex online account. Mr J reached the qualifying spending amount and waited for his voucher to be sent to him. When he didn't receive it he complained to Amex.

Amex said Mr J didn't receive a voucher as he was only entitled to one in a 12 month period – with the 12 month period running from the anniversary date of his card being issued. I understand this anniversary date is taken from the date Mr J's Premier card started. But to recognise that Mr J had been given wrong information on his statements and online account, Amex awarded Mr J 10,000 Membership Rewards points to his Preferred Rewards Gold Account (charge card). Amex did this because they assumed Mr J would've spent on the Gold card instead of his Amex credit card and so he would've been eligible for the Gold card bonus of 10,000 points.

Mr J didn't accept this. He said he'd taken out a 'new' credit card – completing a separate application process - and so this would've meant a new anniversary date. Mr J said the statements and his online account had supported this. Amex said Mr J had never 'left' Amex or 'cancelled' his Premier card. Rather the account had changed/ transferred tiers.

Our investigator concluded Mr J was only entitled to one Companion Voucher within the 12 month period and considered Amex's offer fair. Mr J didn't accept this, and the investigator made some further enquiries to Amex about what happened when Mr J had changed cards. This resulted in Amex making Mr J a goodwill offer of 5,000 Avios points and £50. Our investigator didn't express an opinion on this offer and Mr J decided not to accept it.

I issued my provisional findings to Mr J and Amex. I've summarised my provisional findings below.

### ***provisional findings***

I explained I made enquiries to better understand how Amex credit cards and their benefits work, as well as what happened when Mr J changed his credit card. And I looked at the terms and conditions – for both Amex and BA.

The Amex terms and conditions included some limited information about upgrading and downgrading an individual's account. And defined 'account' as *'any account we maintain in relation to Cards and to which we charge Transactions'*.

The Amex terms also explained that additional benefits through the card would be subject to the terms and conditions set by the third party. And the BA terms and conditions said, *'To be entitled to receive a Companion Voucher the Cardmember must have reached their required spend target within a 12 month period ending each year on the anniversary of their Card Account start date...'*

I explained I had some sympathy with some of the points Mr J's representative had made in relation to understanding what an 'account' is. And I was also mindful of the limited information available to explain what happens when a customer downgrades or upgrades their card. I also noted there appeared to be no details relating to whether a customer could hold more than one credit card at a time.

Overall though, I said it seemed the intention of the above terms were for there to be only one Companion Voucher per customer within their particular 12 month period.

Amex told me it wasn't possible for a customer to hold more than one credit card at a time, and said that any standing commitments on one card would've been transferred to the next card – a further indication that the Standard card wouldn't have been a 'new' card.

I therefore didn't think Mr J would have been able to earn another voucher simply because he now had a Standard card. And I explained that it is a matter of Amex's commercial judgment to decide how they manage their credit cards and benefits – so this isn't something I can interfere with.

As Amex agreed Mr J had been given wrong information on his statements and online account, I didn't need to consider anything further here. I therefore looked at whether Amex's offer to recognise this was fair in the circumstances.

I explained our service looks to put things right – as far as is reasonably possible – by trying to put the customer back in the position they would've been in if the error hadn't occurred. But I also explained that while there had been a misrepresentation in this case, it didn't automatically follow that Mr J should be put in the position as if that misrepresentation had been true. That is, it didn't automatically mean Mr J should be awarded a Companion Voucher.

I therefore considered what Mr J was most likely to have done instead if he'd been properly informed from the outset that he couldn't earn a second Companion Voucher until February.

Mr J said he would've taken out a new credit card with another provider, under which he would have been able to earn air miles. But I explained it was difficult for me to know if Mr J would've been accepted by the other provider or to know what the terms of that card would have been for me to fairly take this into account.

Because of this I thought Amex's offer to assume Mr J would have used his Gold card instead was reasonable in the circumstances. And the offer of 10,000 Membership Reward Points (which can be converted to Avios points) was fair in the circumstances.

I also considered the points Mr J made about his Standard card being a 'new' credit card and that he was mis-led during the call with Amex before he applied online for the Standard credit card.

Amex agreed an online application was completed through their external website. And they agreed a phone call took place before Mr J made his application. But unfortunately Amex was unable to provide a call recording. So it was difficult for me to know what may have been said to Mr J.

In view of the circumstances, I thought the offer of 5,000 Avios points and £50 - to recognise Amex couldn't be certain what Mr J was told - was fair.

#### responses to my provisional findings

Amex replied to my provisional decision to say they agreed with my findings and had nothing further to add. And Mr J also responded to my provisional decision to confirm he had nothing more for me to consider.

#### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And as Mr J and Amex have no additional submissions or evidence for me to consider, I see no reason to alter my findings as set out in my provisional decision.

For the reasons above, I'm satisfied an additional Companion Voucher would not have been available to Mr J. And as it's difficult to know exactly what he would've done instead, I think the offers are reasonable in the circumstances.

That is, I think while Amex provided Mr J with wrong information on his Standard credit card statements and online account, the offer of 10,000 Membership Rewards Points was fair. And I think the additional 5,000 Avios points and £50 are also fair in the circumstances to recognise any confusion there may have been when Mr J applied for the Standard credit card.

**my final decision**

For the reasons above, my final decision is that I think the offers made by American Express Services Europe Limited are fair in the circumstances of this case.

American Express Services Europe Limited have already awarded 10,000 points to Mr J's Gold card, so they must now award Mr J the 5,000 Avios points and pay him the £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 21 December 2017.

Kristina Mathews  
**ombudsman**