

The complaint

D complains that American Express Services Europe Limited (AESEL) (Amex) mis-sold a credit card.

What happened

In August 2020 D's director, Mr K, applied for a business credit card with Amex. Mr K has provided details of the information he was given by Amex staff before he decided to proceed. Mr K was sent details of how points could be earned and spent, including an example that 10,000 points could be redeemed to cover the cost of a flight within Europe. Amex also said the credit card came with a facility that allowed card holders to pay suppliers via its offline payment tool.

In early 2022 Amex withdrew the offline payment tool for all customers.

In December 2022, Mr K complained on D's behalf. Mr K has explained that D's account had accumulated points that he thought were equivalent to the value of over six flights within Europe. But when Mr K tried to use D's points, he found the value of the points had dropped significantly which meant they would only cover three flights.

Mr K complained on D's behalf but says Amex failed to issue a final response. Mr K went on to refer D's complaint about Amex to the Financial Ombudsman Service. Mr K said he thought Amex should cover the costs of six flights and refund the annual fees D has paid.

An investigator looked at D's complaint and asked Amex to supply a copy of its case file. Amex sent in a copy of the relevant terms and conditions as well as a final response it says was issued to Mr K on D's behalf on 13 February 2023.

Amex's final response said the points quoted in its sales information were correct at the time of issue, when Mr K applied in August 2020. Amex added that the value of membership reward points had altered and explained the costs involved with flights had increased to reflect that. Amex said it was unable to guarantee the points conversion quoted at the point of sale would remain the same. Amex added that the offline payment tool had been withdrawn in early 2022.

The investigator wasn't persuaded that Amex had treated D unfairly and didn't ask it to take any further action. On D's behalf, Mr K asked to appeal and said Amex had misrepresented the credit card benefits during the sales process. Mr K added that the reduction in points value didn't reflect costs in air travel. Mr K also said Amex had failed to respond to D's complaint. As Mr K asked to appeal D's complaint, it's been passed to me to make 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr K is disappointed to find that the value of the points accrued on D's Amex account doesn't reflect the information he was given before the account was opened. Mr K's explained D's account had built up around 65,000 points and that he expected to use them for six flights within Europe. But when Mr K sought to use the membership reward points with a partner airline he found they only covered three flights. Clearly, that's different to the information Mr K was given at the point of application.

In its file submission, Amex has told us it doesn't play a role in setting the price of flights or how many membership reward points are charged. Those details are set by the partner airlines. Amex's final response also says the cost of flights has increased which is reflected in the increase in points required to take a flight. I'm very sorry to disappoint Mr K but I'm satisfied Amex has correctly advised it's not responsible for determining how many points a flight will cost. I note Mr K has queried the revised pricing structure in terms of its value when obtaining flights, but that's not something Amex has control over.

Mr K says the credit card was mis-sold as potential changes with the benefits weren't highlighted. But the terms and conditions specifically say card holder benefits can be changed during the course of the agreement between D and Amex. I appreciate that information is set out in the terms and conditions which is a detailed document. But the information about how Amex can make changes to an agreement isn't hidden and I'm satisfied it was clearly set out. I'm sorry to disappoint Mr K but I haven't found evidence to support the credit card was mis-represented by Amex during the application process.

In much the same way, when Mr K applied for D's credit card he was told about an offline payment tool that it could've used. D never utilised the offline payment tool before it was removed by Amex in early 2022. And, as I've noted above, Amex's terms and conditions say it can make changes to how the account operates, including taking the decision to withdraw features. Again, I'm satisfied Amex acted in line with its account terms and conditions.

In response to the investigator, Mr K said Amex had failed to respond to D's complaint. But Amex has provided a copy of the final response and says it was emailed to D on 13 February 2023. I've read Amex's final response and I'm satisfied it was most likely sent to Mr K as claimed. If Mr K hasn't got a copy, our investigator can forward one to him.

I'm very sorry to disappoint Mr K but for the reasons I've given above I haven't been persuaded to uphold D's complaint.

My final decision

My decision is that I don't uphold D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 8 February 2024.

Marco Manente
Ombudsman

