

The complaint

Mr S is unhappy that American Express Services Europe Limited (American Express) took back a promotional offer he'd complied with and therefore removed the benefit of the offer.

What happened

In January 2023 Mr S saw a promotional offer on the American Express app. It said if he spent £2,648 by the 29 January 2023 he would receive 20,000 membership points. Mr S spent the required funds and received the 20,000 points. However, In March 2023 American Express explained it had made a mistake where some customers had received two welcome offers when only one applied.

To rectify the mistake, they added information to their website and app to alert those customers affected of the issue and that they'd be removing 20,000 points from their accounts, including Mr S.

As Mr S had already moved the points and spent them, this left him with a negative point balance on his account. He complained to American Express about this. They apologised and explained the issue with the additional 20,000 member points and they had notified customers via messages on the mobile app and on their website. By way of apology, they applied 10,000 membership points to his account. But since they had already taken back the 20,000 points provided in error this only reduced the negative point balance.

Mr S brought his complaint to this service. He felt he should receive the full 20,000 points or be financially compensated. Our investigator didn't ask American Express to take any further action. He felt the 10,000 membership points applied was a fair resolution to the complaint. As Mr S remains unhappy it's 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.

When Mr S took out the card in October 2022 American Express provided a welcome offer which entitled him to 30,000 membership reward points if he spent the required amount which he claimed. At the beginning of January 2023 they then added a new offer which said if customers spent £2,648 by the 29 January they would receive 20,000 membership points. Mr S took advantage of the offer as he was entitled to do and spent the required amount within the timescale provided.

Whilst I recognise American Express encountered an error which meant the 20,000 point offer should never have been provided. Mr S wasn't aware of this at the time of taking the offer up. He spent the required funds and rightfully received the 20,000 points. Had he not spent the required amount and received the 20,000 points due to the error I can understand American Express' position here. However, he had spent the required funds.

Having looked at his spending since October and January I can see that generally he was using it for day to day things but on the day he became aware of the erroneous offer in

January he spent a large sum on his card, more likely because the offer had been presented to him. This also supports what Mr S has said that if the offer wasn't provided, he likely would've used another card to earn rewards on his spend.

I recognise that Mr S had already moved the points and utilised them and as a gesture of goodwill American Express awarded 10,000 points reducing the negative balance. However, Mr S is still left with a negative balance on his account so it's understandable he may not have wanted to spend on the account as anything earned will be reducing the negative balance as opposed to building his points balance.

I've reached out to American Express and Mr S outlining my initial thoughts which highlighted that I thought Mr S was entitled to the points as he had met the qualifying spend for both offers on different occasions. As a resolution, as Mr S had already claimed his points, I felt American Express should put Mr S back in the correct position by crediting an additional 10,000 points which would bring his account back in credit.

American Express agreed to do this. But Mr S remained unhappy as he felt it didn't fully compensate him for American Express' handling, his time or that he had avoided using the card as he didn't see the benefit given that he wouldn't be earning anything only reducing a negative balance. He was also unhappy that American Express hadn't contacted him directly to alert him to the issue.

I've considered Mr S' further comments and whilst I understand it had taken some of Mr S time to bring a complaint, there are always going to be some nuisances in making a complaint. I've also considered that he had already had use of the points so wasn't restricted from the use of them. And whilst I take his point in relation to the further use of the card. If we found that American Express hadn't treated him fairly as I have in this case, we would look to put him back in the position he should've been in. It was Mr S' choice not to use the card further and not something I think it is fair to hold American Express accountable for.

American Express hadn't contacted customers directly but used their various platforms to alert customers to the issue. I understand why Mr S would've liked to have been contacted directly and I think this would have been good customer service. But I also understand that for a wider message to be shared it likely impacted a lot of customers. And more widespread information shared via the app and website is likely to reach more customers quickly. Mr S did have to contact American Express about this but given that he had already transferred his points I think the impact of this was minimal.

Overall, to put things right I think Mr S should be put back in the right position in terms of his points. As American Express have already credited 10,000 points as a gesture of goodwill, they now need to credit a further 10,000 to rectify the 20,000 point deduction.

My final decision

My final decision is that American Express Services Limited should credit Mr S' account with 10,000 points to put him back in the position he would have been in before the 20,000 point deduction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 October 2023.

Karin Hutchinson
Ombudsman