

Travel credit cardholders may have a harder time redeeming rewards this year

Article

The news: Airlines and card issuers are raising redemption thresholds on travel perks to maintain a sense of exclusivity for things like airport lounge access and elite status for loyalty

programs, per CNBC.

- **American Express** will charge Platinum cardholders \$50 for each guest they bring to Centurion airport lounges starting next month. Previously, cardholders could bring two guests for free.
- **American Airlines, Delta Air Lines, and United Airlines** are increasing the spending requirements for some of their elite frequent flier tiers.

Why the change? [A surge in travel demand](#), combined with pandemic-era policy changes, has led to busier airport lounges and maxed-out capacity for premium airplane seats. Airline executives are worried that this will ruin the appeal of their premium loyalty program benefits, which were once harder to earn: Delta is making policy changes because “if everyone’s special, no one feels special,” CEO Ed Bastian [said](#).

How we got here: Many airlines lowered the requirements for elite travel perks in late 2020 to encourage spending.

- American Airlines, for example, [waived the airfare spending requirements](#) needed to achieve elite status in its AAdvantage loyalty program if customers spent at least \$30,000 on eligible AAdvantage credit cards, which are issued by **Citi**.
- These types of promotions helped boost business for airlines and their issuing partners. But now that travel demand has come roaring back, some airlines want to retire those changes to preserve an air of exclusivity for their loyalty programs—and potentially to cut costs.

Why it’s worth watching: Some of the policy changes coming down the pike could risk alienating cardholders.

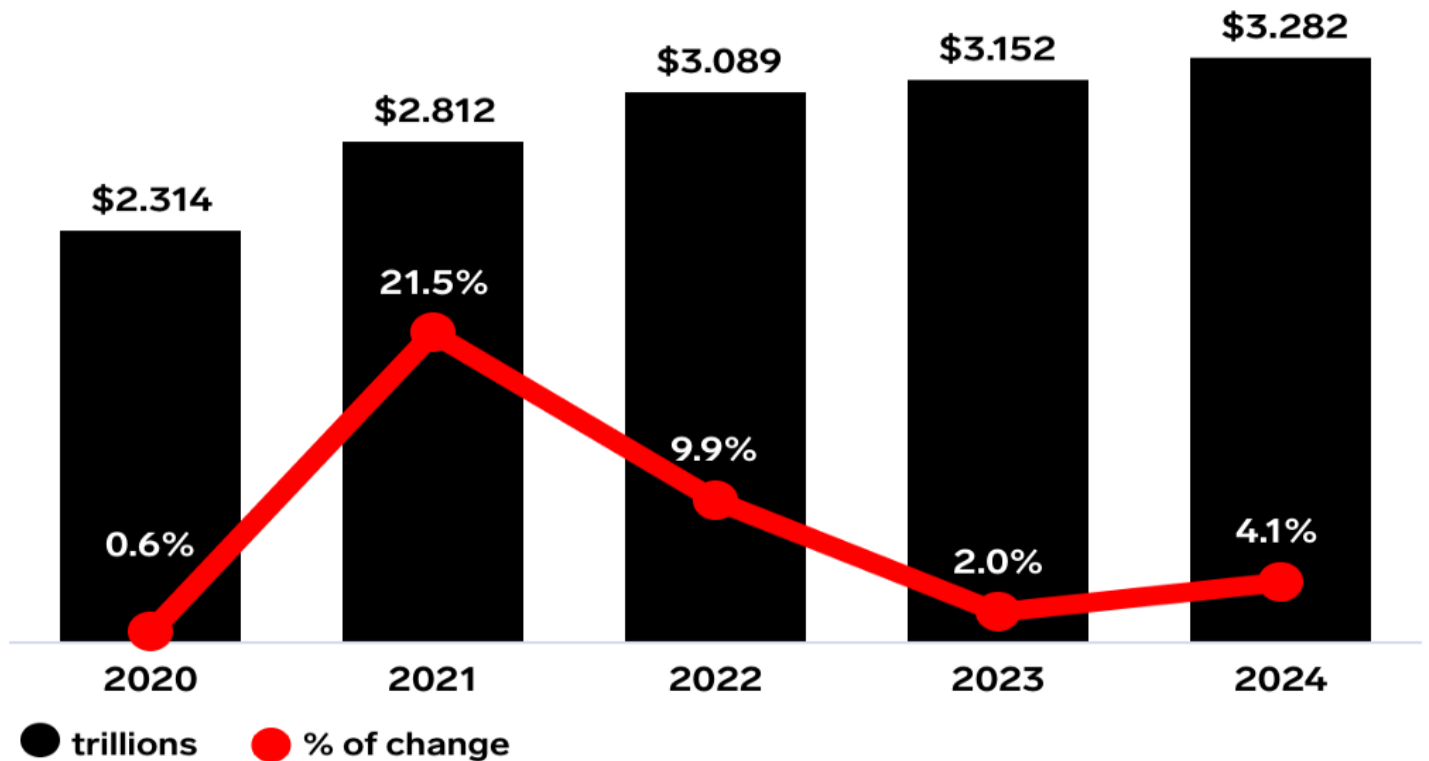
That could have consequences for the large amount of money many airlines sweep in each year through [co-brand card deals](#) with issuers: Delta [expects](#) its nonticket revenues—which includes its partnership with Amex—to account for 57% of overall sales in 2023.

- Many consumers with travel-focused credit cards hoarded points throughout the pandemic and are now using them to book travel.
- But it may become harder—or at least more expensive—to redeem points toward in-demand travel as airlines and issuers pivot their loyalty strategies.
- **Twenty-nine percent of US adults** said transferring rewards to loyalty programs was “extremely valuable,” [according to](#) our US Premium Travel Credit Card Emerging Features

Benchmark 2022. Twenty-one percent said the same for pay-per-visit access to airport lounges

- To make up for those changes, issuers may compensate with nontravel perks.

Total Credit Card Transaction Value US, 2020-2024



Note: includes point-of-sale (POS) transactions made in-store and over the internet using credit cards; includes food services and drinking places sales; includes sales tax; excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), mail orders, gambling, and other vice goods sales; includes desktop/laptop, mobile and tablet purchases

Source: eMarketer, August 2022

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