



Free Miles: The Frequent Flyer Guide



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Foreword

Thank you for purchasing *Free Miles: The Frequent Flyer Guide*

This guide is the result of a great deal of research and personal experience from the world of Frequent Flyer Programs (FFPs). Having personally used the methods described in the book, I can assure you that these strategies and techniques **do work!**

I want to show you that there are dozens of ways that you can obtain access to the exclusive first and business class cabins. The majority of us sadly can't afford to pay for this. Fortunately I have found numerous methods for anyone to get past the curtain by obtaining frequent flyer miles. The airlines even promote these very tactics and encourage you to collect miles in this way! What I have done is carefully combine them into a solid method to let anyone obtain ultra cheap first class and business class tickets – for around the same price as *discount* economy fares.

A variety of currencies are used throughout this book and they relate specifically to the origin country of the airline/promotion/offer being described.

A great deal of time and effort was put into making this book and it would be greatly appreciated if you could direct anyone that you think would benefit from reading this guide, to our site:

<http://www.NeverFlyEconomy.com>



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The guide is written in six sections:

Chapter 1 – Introducing frequent flyer programs

Chapter 1 looks at the essential background information that every frequent flyer should know. It covers the airline industry, alliances and frequent flyer terminology. It also shows you how to work out what your miles are really worth.

Chapter 2 – Strategies for earning miles

The most important element to obtaining free flights is that you must earn lots of frequent flyer miles. This section shows you what you need to know to figure out how to do this, without flying.

Chapter 3 – Strategies for spending miles

Spending your miles wisely can make them go a lot further than expected. Take a look at this section to learn how to fly further for fewer miles.

Chapter 4 – A look at specific opportunities

All the juicy offers are covered in this section which looks at a large range of specific opportunities to earn and spend miles.

Chapter 5 – Case study: BMI Diamond Club

This section takes a comprehensive look at the BMI Diamond Club, a mostly overlooked FFP that has some of the best opportunities available.

Chapter 6 – Case study: American Airlines AAdvantage

This section takes a comprehensive look at the AA AAdvantage FFP, the largest FFP in the world with many promotions on offer.



Chapter 1 - Introducing frequent flyer programs

1.1 Introducing frequent flyer programs

Frequent Flyer Programs (FFPs) are essentially loyalty programs that reward passengers for being customers of a particular airline. Only Casinos come close to rivalling the size and sophistication of FFPs when it comes to loyalty programs. The basic premise is that you earn points (often called miles) when you pay for and take a flight. Once you have accumulated a certain number of points, these can be redeemed for free flights.

FFPs began as a way to help ensure customers stay loyal to a particular airline. As these programs grew, so did the benefits and rewards. The range of partners has grown to include everything from hotels and car hire, through to banks and supermarkets. As airlines began forming large global alliances, individual airlines expanded their FFPs across their partner airlines flights too. An American Airlines frequent flyer could earn miles in his/her account by taking a Cathay Pacific flight from Hong Kong to London.

It is possible to fly to virtually any country and earn miles for doing so. It is becoming a big industry in itself as airlines recognise that most high revenue generating business travellers are top-tier frequent flyers. Airlines continually offer bonus promotions to entice people to earn more miles and therefore become more loyal to that particular airline.

Many people have begun to exploit these promotions to earn a serious amount of miles for little or no cost. This guide will show you how to identify possible promotions in terms of how much value they actually give you.

1.2 Tiers

Most airlines recognise different levels of customer through program tiers - usually silver, gold, platinum or equivalent. Different tiers exist in almost all FFPs and top tier, or elite tier status usually brings some special rewards. Typically anyone can join a FFP at the entry level. If a certain number of miles are earned in a certain period of time, the account may be upgraded to silver/gold/platinum status as appropriate. This may grant benefits such as free upgrades or free access to executive airline lounges.

The only way of moving up to the next tier is by actually flying a lot. The majority of miles promotions do **not** count towards earning elite top tier status so if your concern is solely with obtaining free flights then tiers are not important.



1.3 Alliances/industry

The airline industry is very unique in nature. Airlines can be categorized into budget, chartered and full-service airlines.

Budget airlines - E.g. South West Airlines, Ryanair, Air Asia. Budget airlines operate a point- to-point low cost model. Fares are low and service such as food and drink have to be paid for separately. Baggage usually costs extra and there are notoriously high "fees" for booking with a credit card.

Chartered airlines - E.g. Monarch, Jet Aviation, Million Air. Chartered airlines operate regular, scheduled flights but "charter" each flight to a holiday tour operator. They sometimes fly only in specific seasons to specific holiday destinations – e.g. Summer flights to warm locations or for special events such as the Olympics.

Full-service airlines - E.g. American Airlines, British Airways, Singapore Airlines. These are the traditional airlines which usually operate from one or more "hub" airports such as London Heathrow for British Airways. They usually offer free baggage, free food/drink and have a much more fixed schedule. They also usually have business and first class cabins.

All airlines have agreements and partnerships with other airlines to bring mutual benefit. To fly from Cape Town in South Africa to Edinburgh in the UK, you would have to fly with at least 2 different airlines. In the past this would mean booking two separate tickets. To make things easier, and to beat their competitors, airlines started to make agreements to sell tickets on each others' flights. This way a passenger could buy a single ticket that was valid for the whole journey on multiple airlines. Like FFPs, such agreements have now become expected and any airline not offering this will likely lose a significant amount of business.

Recently, things have gone even further with massive global airline alliances being created, linking virtually the whole world. Alliances can use their massive power to have a strong influence on airports, passengers and even governments. Yet within each alliance, individual airlines are still competing towards individual financial success. It is this competition that creates a lot of opportunities that can be exploited by the savvy traveller.

It also creates a more flexible approach to exploiting FFPs as it is possible to earn miles on airlines that you never fly and spend the miles for free flights on an airline and route that you do wish to fly on. Let's say that Alaska Airlines had a promotion to earn free miles. A savvy traveller could earn these free miles and use them to buy an American Airlines flight to a destination that wasn't even close to Alaska.

I haven't even begun to start on the potential of thinking like this, nor have I mentioned how it is possible to trade points between different programs. However, you can see how taking advantage of multiple offers across multiple airlines can potentially lead to a large number of free flights.



1.4 List of major airline alliances

Sky Team

(SU) Aeroflot
 (AM) Aeroméxico
 (UX) Air Europa
 (AF) Air France
 (AZ) Alitalia
 (CZ) China Southern
 (CM) Copa Airlines
 (OK) Czech Airlines
 (DL) Delta - Northwest
 (Merged)
 (KQ) Kenya Airways
 (KL) KLM
 (KE) Korean Air
 (VN) Vietnam Airlines (To
 Join 2010)

Star Alliance

(JP) Adria Airways
 (AC) Air Canada
 (CA) Air China
 (NZ) Air New Zealand
 (NH) ANA
 (OZ) Asiana Airlines
 (OS) Austrian Airlines
 (KF) Blue1
 (BD) BMI
 (CO) Continental
 (OU) Croatia Airlines
 (MS) EgyptAir
 (LO) LOT Polish Airlines
 (LH) Lufthansa
 (SK) SAS
 (FM) Shanghai Airlines
 (SQ) Singapore Airlines
 (SA) South African Airways
 (JK) Spanair
 (LX) Swiss International Air
 Lines
 (TP) TAP Portugal
 (TG) Thai Airways
 International
 (TK) Turkish Airlines
 (UA) United Airlines
 (US) US Airways

One World

(AA) American Airlines
 (BA) British Airways
 (CX) Cathay Pacific
 (AY) Finnair
 (IB) Iberia
 (JL) Japan Airlines
 (LA) LAN
 (MA) Malév
 (MX) Mexicana
 (QF) Qantas
 (RJ) Royal Jordanian
 (S7) S7 Airlines (To join in
 2010)



1.5 Earning / spending miles

Normally a passenger will purchase a ticket and take the flight, then earn frequent flyer miles for doing so. Each airline will have its own *Earnings Table* which lets you know how many miles you will earn for each flight you take. The standard earnings table is 1 mile earned for each actual mile flown in economy, so the miles earned is dependent on the actual distance of the flight. For the purposes of this guide, we are less concerned with this as our goal is to earn miles without having to actually fly.

The next step for the normal passenger is usually to redeem miles for an **Award Flight**. It is important to note that when it comes to spending miles, the distance of the award flight you wish to redeem doesn't bear such a strong resemblance to the actual distance flown. For example, an award flight from Europe - USA may cost 60,000 miles, significantly more than the actual distance. Furthermore, different airlines have vastly different redemption "prices" for purchasing award flights with your miles. This is why shopping around for the cheapest redemption rate within FFPs is worthwhile. Different airlines can charge as much as 400% more for the same redemption seat on the exact same flight.

Award Flights are free flights which can be purchased using accumulated Frequent Flyer Miles. Tax always has to be paid by the passenger on all award flights.

1.6 FFP promotions

Airlines will often offer special promotions to earn additional miles. Many of these do not even require you to get on a plane. This may be a bonus offer for an airline branded credit card or free miles for having an eye exam. Many also have short-term promotions with a whole variety of other companies from supermarkets to newspaper publications. If you are smart about maximising these promotions, then it is entirely possible to earn enough miles for free first or business class flights.

1.7 The value of miles

It's all relative

How much miles are worth depends greatly on who you talk to. Typical estimates put the value of one mile at around 1-2 cents per miles. However, as we will discover, their true value depends largely on what you spend them on. The airlines themselves value each mile at less than 1/1000th of a cent on their financial statements. This represents the fact that the majority of miles are never redeemed. It is often estimated that the value of unused miles equates to nearly One Trillion US dollars. This is largely irrelevant however, as most miles are spread thinly across a large number of accounts that don't have enough miles for an award flight.



How much are they really worth?

Things are different for the smart traveller. The value of a mile is worth whatever cash equivalent an award ticket would otherwise cost. Let's say that a flight which normally costs \$800 can be purchased for 30,000 miles. To calculate the *value per mile* in this instance, divide the cash equivalent cost by the mileage cost.

So: Cash equivalent cost / Mileage cost

Or: $800 / 30,000 = \mathbf{\$0.0267}$ or **2.67 cents per mile**

If another award flight usually costs \$700 but is available to purchase for 25,000 miles the *value per mile* would be:

$$700 / 25,000 = \mathbf{\$0.028}$$
 or **2.8 cents per mile**

When it comes to **spending** miles, higher value mileage awards are better. Think of it this way:

*If you trade your miles for straight cash, would you want **more cash** or **less cash** for each mile?*

Of course, the answer is **more cash**. When you buy an award ticket, you are essentially trading your miles for a ticket which has a cash value. If you trade your miles for a high cash value ticket, then this is better than a lower cash value ticket.

In this section we looked at how much miles are worth to individuals. We learned that the higher the *value per mile*, the better this is for the passenger. The next section will look at the cost of acquiring miles.

The true cost of obtaining miles

This guide will cover many opportunities for earning miles, some of which are not entirely free. It is worth knowing how to calculate if a deal is worthwhile or not. To do this, we need to find out the *cost per mile*. Let's say as part of a special offer, if you buy a product for \$100, you earn 10,000 miles. To calculate the *cost per mile* divide the cash cost by the total miles earned.

So: Cash cost / Miles Earned

Or: $100 / 10,000 = \mathbf{\$0.01}$ or **1 cents per mile**

If another promotion were to earn 12,000 miles but cost \$150 the *cost per mile* would be:

$$150 / 12,000 = \mathbf{\$0.0125}$$
 or **1.25 cents per mile**



When it comes to **buying** miles, lower cost per mile is better. Think of it this way:

*If you buy a mile, would you rather pay **more money** or **less money** for that mile?*

Of course, the answer is **less money**. Nobody wants to pay more money for anything. When it comes to paying for miles, be sure to factor in the time and effort it takes from you. There are many promotions which give out very cheap or even free miles, but some of these take considerable time and effort. If you are a busy person or using miles represents only a tiny saving then these may not be worthwhile.

Figuring out if it is worthwhile

If you know that the *value per mile* of an award ticket exceeds the *cost per mile* of obtaining the miles then it is usually a good deal. This is why this guide focuses both on earning and spending miles.

There are a few other points to consider though. The *value per mile* represents the value of the award ticket. Suppose you could buy a discount economy ticket on a budget airline for a lot less than the cash equivalent of an award ticket. In this scenario, it may not be worthwhile to buy an award ticket – if you didn't have the award ticket surely you would fly on the cheaper airline? The situation gets even more complicated when factoring in first and business class. This is why *value per mile* is a personal thing. If discount cash tickets are available, you must decide whether the extra comfort and flexibility makes the award justified.

In many cases, business class award tickets represent the highest *value per mile* of any award ticket. Some award tickets are significantly better value than other and strategies for finding these high value awards will be covered in *Chapter 3*.



Chapter 2 – Strategies for earning miles

2.1 Introduction

In order to earn free flights, especially those in first or business class, the most important aspect is to earn frequent flyer miles. The trick is to collect miles on a FFP without actually having to fly. There are numerous tricks and tips outlined in this section that will explain how to go about doing this. This section will also explain how to go about finding these offers yourself, as new promotions are released daily. Don't worry about specific opportunities just yet – these are covered in *Chapter 4 - A look at Specific Opportunities*.

2.2 Credit card sign up bonus

The oldest, and arguably the easiest, method of obtaining a large number of frequent flyer miles quickly is by receiving a credit card sign up bonus. Credit Cards represent a fantastic opportunity to earn a lot of miles. Almost every single FFP out there has a credit card attached to it. Most of these come with generous sign-up bonuses, usually 20,000 – 30,000 miles but sometimes even more. Credit card companies actually buy these miles from the airlines and offer them as an enticement to use their card. It is an effective strategy as airline credit cards are some of the most popular out there.

In the US and Canada, there are many different credit cards attached to each major airlines. All different kinds of cards are available – Visa, MasterCard and American Express. Furthermore, it is possible to receive multiple bonuses for signing up with multiple cards. Airline websites as well as credit card comparison websites are the best source of information here.

For European readers, the situation isn't quite as great. There are rarely multiple cards for each airline and usually you are prevented from gaining multiple sign up bonuses. That being said, one sign up bonus is often enough for a free flight and there are other benefits that are not available to those living in North America – these will be discussed in this chapter too.

Outside of Europe and North America, the situation isn't quite as good. Anywhere with less competition means that sign up bonuses are smaller. Australia is a good example as there is really only one full service airline, Qantas, who operates here. The sign up bonuses for Qantas credit cards are only a few thousand miles and that alone won't get you very far. It is still possible to earn miles using other methods on a Qantas credit card, just don't rely on the sign up bonus alone.

In many cases, the sign up bonus from the credit card alone is good enough to earn a free flight. Many airlines allow you to buy one-way award redemptions for half the price of return award redemptions. Let's say a credit card has a 20,000 mile sign up bonus, and the price of a business class award redemption trip is 40,000 miles. You can sign-up for a credit card and then use the bonus to purchase a one-way award flight. Your spouse/friends/family can sign up for a credit card and collect a 20,000 mile sign up bonus as well. However, they can book a ticket with their miles for you!



This means they can book a one-way award flight in your name, with their sign-up bonus. By combining the two one-way award flights, it is possible to effectively make this a return award flight for you. Most airlines allow you to purchase an award ticket for someone else - by having two people you can get yourself a free return business class trip. Of course, you still have to pay the tax, but this is usually a minimal amount in comparison.

The sign up bonus is often dependant on spending a certain amount on the card within the first few months. Usually, this will be less than the average person spends on groceries and essentials within that period so it is really not that difficult to achieve this spend. The section on *Credit card points generation*, later in this chapter, will also show you how to achieve this minimum spend without it costing you any money.

There is one thing to be cautious of when you sign up for any credit card. Every time you apply for a credit card, your credit rating score takes a small hit. If you sign up for multiple cards in quick succession, this can amplify the effect and cause problems. Be sure to space out applications – a general rule of thumb is one application per 90 days, but a lot depends on your individual circumstances.

2.2 Credit card churning

One sign up bonus is good, but multiple repeated sign up bonuses can give hundreds of thousands of miles per year. Churning is the process of applying for a credit card, making the minimum spend and collecting the sign-up bonus **then** cancelling and signing up for a new credit card to get another sign up bonus. There are certain limits here, such as only being able to apply every 30 or 60 days and only being able to hold a certain number of cards with one card company at any one time.

Unfortunately, this is not possible in the UK but in the USA it is more common. Look out for airlines which have multiple credit cards. Check to see which card company or bank issues each card. If more than one card company/bank issues credit cards for the same airline, then it makes churning even easier.

Some cards have annual fees and most require minimum spends within the first 60-90 days. This can be overcome by a number of *Credit card points generation* strategies talked about later in this chapter. With regards to annual fees, sometimes this is only applied at the end of the first year. Check the terms and conditions as you may be able to cancel the card before the first annual fee is due. Further information is available in *Chapter 4 - A look at specific opportunities*.



2.3 Earn miles from credit cards

Aside from the sign up bonus, airline cards almost universally offer the ability to earn frequent flyer miles for ever \$/£/€ spent. Note that miles earned in this manner generally do not count towards qualifying for elite tier status, but can still be redeemed for award flights.

There are always opportunities that involve using your credit card to earn miles, but returning your purchase for a cash refund, then using this cash to pay the bill. This way you break even, but actually earn miles at the same time. This is covered more in the next section on *Credit card points generation*.

Different credit cards have different earning rates. While 1 mile per Dollar may be fairly common, some credit cards offer more than this so look out for these. Often, if a card offers more than 1 mile per Dollar, it will be a premium card and have an annual fee. Be sure to factor in this fee if you plan on applying for a premium card.

Many airlines have their own American Express cards which allow you to earn miles in the same way. American Express (AMEX) also has its own loyalty scheme called Membership Rewards. Almost any generic AMEX card can earn these Membership Reward points, which can then be converted into miles for a number of different airlines.

If you run a business, then there are also many business credit cards that can be associated with FFPs. This has the added benefit of allowing you to collect points from everyone who uses the card for business use. Many large multinational corporations insist that all employees use the corporate credit card to make purchases whenever possible. One of the reasons for this is that bosses often receive a significant kickback from the credit card company. If you run a business then it makes sense to collect miles from all of your employee's business spending.

2.4 Credit card points generation

Point generation is the process of spending money on credit cards in such a way that allows you to receive your money back in a different manner. The end result is that you break even financially, while earning miles because of your credit card purchase. There are some notorious examples of this in *Chapter 4 - A look at specific opportunities*. These opportunities are a bit of a grey area and some people will argue that it violates your credit card terms and conditions. However, the credit card companies actually make money when you do this so have done little to discourage the practice.

2.4 Debit cards and bank accounts

These are similar to credit cards in that you receive sign up bonuses. The key different here is that debit cards can be used to purchase a much wider variety of items and also let you withdraw cash from an ATM without a fee. Furthermore, applying for a debit card does not affect your credit rating.



Airline credit cards often let you pay your bill online with a debit card. Why not use your airline debit card to pay the bill and earn miles in the process. Note that mileage earning rates on debit cards are usually lower than with credit cards.

2.5 Airline promotions

Most FFPs continually offer promotions that earn extra miles. These could be absolutely anything. Examples include taking surveys, taking a free eye exam or signing up for a publication. It is worth signing up to the FFP e-mail newsletter of the programs you join as they generally have the latest promos. Make sure these don't end up in your spam box as you may miss out on valuable promotions. Anything worth doing is usually covered on the FlyerTalk.com forum sub-section for the specific airline in question.

In the UK, BAA Worldpoints - a reward scheme for spending money on parking, shopping, eating and duty-free at airports - allows you to convert points into miles with BMI and Virgin Atlantic. FlyerTalk usually covers the best of these but keep an eye out for opportunities.

2.6 Airline partner promotions

Many non-airline Programs and Schemes offer the ability to convert their points into miles in certain FFPs. A good example of this is American Express who let you convert Membership Reward points to many different FFPs. Many supermarkets also have loyalty schemes which allow you to convert points into miles with certain airlines.

Hotel groups such as Hilton and Starwood also allow you to convert points into miles with a number of FFPs. Many of these hotel chains have their own credit cards with sign up bonuses. The sign up bonuses can be transferred into several different airline FFPs providing another method to quickly gain some frequent flyer miles.

2.7 Buying miles

Many FFPs allow members to buy miles straight up for cash. The intention here is to allow members who are a little bit short of a redemption they wish to make, the ability to buy miles so that they can afford the redemption. As such, there is often a limit to the number of miles that you can purchase. However there are many circumstances where you can purchase enough miles for a business class award ticket and have it so the total cash cost is far less than the actual ticket would cost. This is particularly true for one-way tickets and medium-haul flights. *Chapter 5 – Case study: BMI Diamond Club* has some extreme examples of just how far you can go when you purchase miles.

When buying miles there is usually a cost associated with the purchase, usually labelled as an administration fee. On top of this, you pay a fee based on the number of miles you wish to purchase.



This is usually done in multiples of 1,000 miles. If there is a limit to the number of miles you can purchase, be sure to check the terms of this limit. Sometime it is based around a certain number of miles per calendar year. This means you could technically buy twice as much by purchasing the maximum on 31st January and purchasing the maximum again on the 1st January.

It is easy to figure out the *cost per mile* in this situation. Simply divide the cost by the number of miles to get the figure, as was demonstrated in *Chapter 1.7*. There are usually cheaper ways of obtaining frequent flyer miles, however buying miles directly is the fastest.

A mileage run is a concept which involves travelling on a very cheap flight with the pure intention of earning a lot of miles so that you can redeem them for another flight you wish to take at a later date. Quite often airlines have special offers or even incorrectly priced tickets. When an opportunity like this arises, you can potentially earn a lot of miles for very little money. The downside is that you actually have to take the flight otherwise you don't earn the miles.

Each airline will have its own Mileage earnings table which lets you know how many miles (or points) you will earn for each flight you take. The standard earnings table is 1 mile earned for each actual mile flown in economy. For business and first, the rate is usually 2x and 3x respectively.

There is a fantastic article on Inside Flyer which details the history of Mileage Runs: <http://www.insideflyer.com/articles/article.php?key=3263>

Be careful to check the booking class of a ticket as this is what ultimately determines the earning rate. Some deeply discounted economy tickets earn only 0.25x the miles flown. Discounted first and business class tickets are less affected by this.

The best resource for finding mileage runs is the FlyerTalk forum: <http://www.flyertalk.com/forum/mileage-run-deals-372/>

Flight distance is calculated using the great circle distance. The great circle mapper is a tool which takes into account the curvature of the earth when calculating distance: <http://gc.kls2.com/>. This lets you work out exactly how many miles your mileage run will earn.

While Mileage runs are great, most people simply do not have the time to spend on multiple economy trips that enable them to obtain a free business class flight. The aim of this guide is to enable you to fly first and business class without having to fly to earn the miles necessary for redemption. As some mileage run offers are very good, we will cover them briefly in Chapter 4.



2.8 Consolidating points across different programs

With many mileage offers available across a number of different FFPs, a good strategy would be to take advantage of all these offers and consolidate miles to just a few programs. This way, you can take advantage of the greatest earning and most convenient offers, then simply move your miles into one program. By doing so, you should have enough for the award flight that you wish to purchase.

Moving miles can be simple; however there are some basic principles to be aware of. First, you must use a 3rd party partner to move your miles. American Airlines will not simply let you move your miles to United – one of their biggest rivals. Instead, you can use the website [points.com](http://www.points.com) – <http://www.points.com>.

Some hotel programs also allow you to transfer points. This works by transferring miles to the hotel program from the original FFP, then by transferring miles from the hotel program to another FFP. There are also a few websites which allow individuals to trade miles with each other such as <http://www.points.com>

Depending on the programs involved, you may lose some miles in the transfer process. Sometimes though, there can be bonus offers which mean you actually gain extra miles in the process.

2.9 Taking action now

A few years ago, David Phillips was doing his grocery shopping when he found an offer that gave 1,000 American Airlines miles for every pudding cup purchased. These retailed at only 25cents each. After quickly doing the math and working out the value of this, he spent over \$3,000 on pudding cups and earned over 1.25 million miles. An even more clever twist to this tale is how he donated the pudding cups to charity and qualified for a large tax break based on their value.

This true story has inspired many frequent flyers to seek out deals and offers to gain large amounts for frequent flyer miles. You can read David's full story in Time Magazine here:

<http://www.time.com/time/magazine/article/0,9171,996450,00.html>

The most important lesson here is that you must take action to achieve the results. There are some great offers out there, and they take time and effort to achieve results. This is not an overnight bonanza, and some patience is required. For those of you who follow through, the end result is saving thousands of dollars on flights, free upgrades and a lifetime of affordable exotic travel.



Set yourself a small goal, say to earn 40,000 frequent flyer miles in one program, to purchase an award flight you wish to take. By focusing on this small goal, you will be much more likely to succeed but also learn a lot about FFPs and miles in the process. This will then enable you to set large goals, in future for more exotic flights. The number one piece of advice I can give is to get started immediately – why wait any longer?



Chapter 3 – Strategies for spending miles

3.1 Introduction

Once you have some frequent flyer miles in your account, the next step is to spend them. This is more difficult than it sounds as airlines deliberately make it difficult and sometimes time consuming to do so. Fortunately, this section of the guide looks at strategies to make this process quick and painless.

3.2 Understanding award flights

The basic premise of an award flight is a free flight which is paid for using frequent flyer miles as opposed to cash. Every regular paid ticket has a single letter fare code associated with it. For example, a typical full fare economy ticket would be fare code “Y” while a full fare first class ticket would be fare code “F”. Different airlines use different codes to specify specific different types of ticket. The important thing to understand is that award tickets come from specific fare codes dedicated to award tickets.

On any given flight, there will only be a few tickets available for award bookings, all belonging to the award fare code. Once these are gone, it is usually impossible to book an award ticket for the flight unless under special conditions or if the airline makes more award seats available. The situation can be problematic when booking more than one first or business class award ticket. Sometimes, airlines only release one award seat for premium cabins. This presents certain challenges when trying to book tickets for yourself and someone else on the same flight.

By restricting awards to only a few per flight, this ensures that every journey should make money for the airlines. For our purposes, we are merely concerned with finding and booking available awards.

3.2 Understanding award flights

Award flights do not include the standard airline tax. You must pay the tax amount in cash at the time of booking – miles cannot be used to pay for tax. Taxes vary greatly depending on the origin and destination of a flight. In some countries, such as Japan, taxes are very low. In the UK, however, they are very high and will add some cost to your award ticket. Some countries, such as the UK and France, charge extra tax for first and business class passengers so premium awards can be a little more expensive.

One quick way to check what the tax will cost is to create a dummy booking on the airline website and wait until the full price breakdown is shown. This will allow you to determine the tax cost quickly and easily. Beware that some airlines bundle taxes and additional charges into their prices so in



some cases the tax figure may be less than you think. Of course, calling the airline will also be a quick and easy way to identify this.

Finally, watch out for some airlines that charge more tax than others, even on the same route. See section 4 for a list of Star Alliance taxes and pay attention to the different airline rates on the same route. It may be possible to book an award ticket for the same miles cost on the same aircraft, only by booking it under a codeshare it will mean less taxes.

Codeshare Flights are flights sold by one airline but operated by another, often a partner airline. This allows airlines to sell combined tickets for longer, more complex journeys.

3.3 The value of awards

In chapter 1, we talked about how to value an award based on the *Cash equivalent cost* divided by the *Mileage cost*. Or in essence, an award is valued at what the equivalent cost of the ticket in cash would be. While this is true, there are a few extra things to take into account. First, remember to include the tax you pay in your calculation.

Generally speaking, premium tickets and especially business class tickets are the best value award flights. This is because the cost to redeem a business class award flight is usually around two times that of an economy award flight. However, the cash cost of a business class flight can be five to ten times that of an economy ticket. Remember also, to compare against the cheapest possible cash ticket. Most business class tickets are also available at a discount so check these out as well.

That being said, it is not always worthwhile to redeem award flights in first or business class. If you are spending a lot of miles for an award flight, and a heavily discounted economy cash ticket is available, it may be better to just pay for the discount ticket. This allows you to use your miles at a time when a cheap cash option is not available. The value which comes with flying first or business class is purely down to the individual as some people are a lot more concerned with in flight comfort.

3.4 Award availability

To find the best awards, it is also important to understand a few key facts about availability. Remember that award flights are booked into a separate fare code from regular tickets. This means that award availability will be different from regular ticket availability. A flight could have hundreds of tickets for sale but have no award tickets available.

Like regular tickets, award tickets for major holidays tend to get snapped up really quickly. The difference here is that due to a very small amount of award tickets being available, they tend to sell



out very far in advance. With regular tickets, they may sell out but it is likely that the price will just increase and there will still be some available tickets.

Some FFPs have blackout dates which do not allow award bookings. These are generally at popular holiday times such as Christmas, Easter or Thanksgiving. It is possible to pay extra miles with some FFPs to override these blackout dates but is not really worthwhile unless you must fly at these times.

The trick to securing award flights during busy periods is to book in advance. Most airlines release award seats, often referred to as award inventory, 330 days prior to a flight departure. A few airlines have slightly different rules. However a cleverly designed award date calculator is available at: <http://www.awardgrabber.com/>. You will have to wait until 330 days prior to your return journey to book return flights, increasing the chance of the outbound award flight being snapped up by someone else. A clever trick is to book your flight as two single journeys. Often this costs no more miles than booking a return award flight.

There are a few other quirks that affect award availability. When an airline releases a new first or business class product that is well above the industry average, the airline will often move to block award seats from being available on these aircraft. A good example is the Singapore Airlines new A380 aircraft. The new business class and first class suite products were very desirable and Singapore Airlines blocked all award inventory on these aircraft initially. After a short time, they began to release them but only to Singapore Airlines own FFP members and not to Star Alliance members. Later, small numbers of seats began to open up in business class but the exclusive first class Suites were still not available.

If you were to try and book this award flight through another Star Alliance FFP, the agent on the phone may not be aware of such restrictions leading to much frustration. The next section covers how to find award flight inventory through a number of different channels.

3.5 Finding an award flight

By making award flights hard to find and hard to book, airlines can prevent some individuals from redeeming their frequent flyer miles for free flights. There are trillions of unused frequent flyer miles in millions of accounts. If they were all used efficiently then this would be very bad news for the airlines. Fortunately, a number of helpful tools can help us to find available award flights. The best thing to do is book very far in advance. However, this is not always possible and as this section will show, not always necessary.



The most common method of booking an award flight is by calling the membership number of your frequent flyer program and talking to an agent. This can take time and some agents are not very good at finding awards or suggesting reasonable alternatives.

A few airlines let you book award tickets online, but these are generally only for that airline and not any of their partners. Fortunately, some of these airlines have developed online inventory tools that show award availability for all of their alliance partners. Qantas from One World and ANA from Star Alliance, are good examples here. Chapter 4 will show you in detail how to use these tools.

A number of generic online tools are also available. These actually access airline booking systems to determine inventory. They can be very complicated but are excellent tools for finding those hard to find award flights. Sadly, these tools cost money to use. Chapter 4 will look at them briefly, as it is sometimes possible to find free trials. It is also possible to ask fellow frequent flyers with subscriptions to these tools to check them out for you. The individual airline forums on <http://www.flyertalk.com/forum/airline-programs-374/> are a great place to do so.

3.6 Mileage requirements

Mileage requirements are the number of miles required to purchase an award flight. Different airlines calculate this cost in different ways. One of the most common methods is to group geographical regions into specific zones. So, Europe may be one zone and North America may be another zone. The cost, in miles, to purchase an award flight is the same for any city within a zone. This leads to a number of potentially excellent deals.

Let's say that in the above example you wish to fly from one city in North America to another. The cost, in miles, is the same regardless of which cities you choose – so long as they are both within the same zone. So Los Angeles – San Francisco would be the same as Anchorage – Costa Rica. In this example, it makes much more sense to take the longer route as you get much more value for your miles.

Another way to exploit the way these zones are created is to combine award flights with cheap budget airline flights across zone borders. A good example would be the route Miami – Vancouver. Depending on the airline, it may be significantly cheaper to buy an award flight Miami- Seattle then purchase a cheap flight for the short route Seattle – Vancouver.

Domestic or short-haul award flights in small countries or zones are sometimes very poor value for money. This is particularly true in Europe where tickets are quite cheap due to the high number of budget airlines. In the USA, where domestic flights can be as long as 7 hours the opposite is true.



Some of the longest domestic US flights can be bought for as little as 25,000 – 30,000 miles return. Chapter 4 includes some great examples of “cheap” award flights.

One aspect of mileage requirements that is somewhat hidden is partner flights. Most airline FFP websites clearly explain the cost to purchase an award flight on their own airline. However, the cost to purchase an award flight on a partner or alliance airline is less obvious. The zones for partner airlines are often different and can therefore sometimes be better value for the same route. Remember that you can purchase award flights on any alliance partner of the airline. Most airlines have additional partners which you can purchase award flights on, with your miles. This allows access to some non-alliance airlines such as Virgin Atlantic, Malaysian Airlines and Alaska Airlines.

It is also important to note that mileage costs are determined by award programs and not the actual airline you end up flying on. This results in different mileage costs depending on which FFP you book through. Sometimes when a partner airline opens a new route, it can take some time for proper mileage pricing to be calculated. Partner awards on new routes can therefore be really good value so watch out for new opportunities as they arise.

Check Chapter 1 for a list of airlines in each alliance and check you airline website for a full list of partners. Chapter 4 will show examples of some of the best value award flights across a number of programs.

3.7 Upgrade awards

Upgrade awards are when you purchase a regular ticket with cash then purchase an upgrade for this ticket using miles. Generally speaking, you can only upgrade on your own airline within a FFP and, with a few exceptions, partner/alliance upgrades are not allowed. Upgrade awards are much cheaper than award tickets in first/business class.

The downside is that you sometimes have to hold an expensive, full fare economy ticket to be able to upgrade to business/first class. Some airlines, notably American Airlines, allow you to upgrade discount economy tickets, but this usually costs more than a regular upgrade award. If you travel on business and your company is paying for a ticket, then this will more likely be a full-fare ticket that can be upgraded using miles.

Two European airlines, BMI and British Airways, have a system whereby you can purchase a ticket using some miles and some cash. This effectively works out like purchasing a ticket then purchasing an upgrade award. In some cases this can represent an extremely good deal and there are some fantastic opportunities from BMI in Chapter 4.



3.8 Intelligent redemptions

This section covers what I like to call *intelligent redemptions*. These are effectively smart ways to redeem miles for award flights that represent great value per miles.

Typically, award flights are labelled from one country to another. A great example would be a flight from London to Los Angeles (UK – USA). Often with FFPs, you can add on additional domestic flights at no extra charge. So this flight could be changed to Edinburgh – London – Los Angeles – Las Vegas for the same price in miles. This represents much greater value and a good use of miles.

One way award flights are readily available for half the cost of a return trip. This is not always evident but most FFPs allow one way awards to be purchased at 50% cost. You may have to call the airline to confirm this as in many cases it is unpublished.

Stopovers are usually free when booked through award flights. Airlines will usually let you have at least one stopover per trip, in addition to your main destination. This adds extra flexibility and allows you to visit multiple cities at no extra cost. Sometimes, if you book your award as two one-way awards instead of a single return award flight, this entitles you to additional stopovers at no extra charge.

Changes to tickets are not normally allowed on discount tickets. However, award tickets usually do permit free changes. Sometimes these must be made in advance of the start of the trip, another reason why one-way awards are better. However, sometimes changes can be made at any time. Date changes are no problem, but route changes can attract additional mileage charges or taxes depending on the new route.

Some airlines have introduced a premium economy cabin which gives economy service but much larger seats. When it comes to award flights, these cabins are priced differently by many airlines. Sometimes they can be great value but other times not. If the airline attached to your FFP does **not** have a Premium economy cabin, but its alliance partners do, then it may have favourable award pricing.

Occasionally, airlines will hold promotions that let you purchase award flights for fewer miles than usual. The airline email newsletters are a good way to keep track of this. In your profile settings, on the airline website, there is usually an option to enable email newsletters from the airline. This keeps you informed of the latest offers. Sometimes these offers can be really good with up to 50%



discount. Some airlines offer these sorts of discounts more frequently than others. Check on <http://www.flyertalk.com/forum> for more information about specific airlines.

3.9 Comfort and Luxury

Aside from the cost of award tickets, comfort and luxury is something important that must also be considered. A cheaper award flight may be significantly less comfortable so it is important to understand the product and service you receive with each airline. First and business class generally varies much more than economy (coach) and premium economy, so it is especially important to do your research prior to booking.

The first thing to look at is the seat, as this is where you will be spending the majority of your time. Airline websites provide a good view of this, and <http://www.seatguru.com> or <http://www.seatexpert.com> can help you compare multiple airline seats.

When it comes to analysing service, this is slightly more difficult. Airlines website will naturally be biased. They do give you an idea of a few services such as lounges, entertainment, food/drink and arrivals services. However, to get the true picture it is best to consult travellers who have actually flown on the airline/class in question before. To do this, check out various trip reports, at http://www.airliners.net/aviation-forums/trip_reports/ and <http://www.flyertalk.com/forum/trip-reports-177/>.

Airlines often upgrade their seats, but they do so slowly – one aircraft at a time. This means that you can sometimes be expecting a great new seat but end up with a poor older seat with less room. Most airlines are fairly consistent about which seats are available on which routes. To find out more about such anomalies and what you should expect on your flight, check out the relevant FlyerTalk airline forum <http://www.flyertalk.com/forum/airline-programs-374/>.

If you hold a first or business class award ticket, you are usually granted access to airline executive lounges. An airline may direct you to its own lounge. However, in many larger airports you actually have access to multiple lounges. This is usually through airline alliance agreements where first and business class passengers on one airline are granted access to any alliance airline lounge, with a few exceptions. Airline websites are not the greatest source of information here, so be sure to check <http://www.flyertalk.com/forum/airline-programs-374/> to understand what lounges you are entitled to access.

Be aware when booking award first and business class flights that some services are not included. The most common one is airport car/limo services offered by many major airlines. This service is for



full fare business class only and does not apply to discount or award business class tickets. All other regular services such as lounge access, priority check in/boarding, priority baggage and of course the seat is included. You can usually reserve your seat at the time of booking, so consult <http://www.seatguru.com> to find out the best seat. Some airlines let you book specific first or business class meals at the time of booking too. Of course, free flow drinks and champagne are almost always included as standard too.

Overall, the luxury and comfort factors are very important when deciding which flight to book. They factor heavily in determining the true value of an award. It is highly beneficial to do a little research to understand what your options are before booking.

3.10 Summary

In summary, remember to look closely at the true cost of the award and compare to the true value of the award. This gives an indication, but not the whole picture, as to whether or not it is worthwhile. Comfort and luxury play an important role in this calculation here too, but ultimately the choice is up to the individual.

Look closely at the award rates for each airline, but look even more closely at their partner airline awards. Pay close attention to where award zones start and finish and try to maximise how far you can travel. Plan intelligent routings, stopovers and ensure flexibility with one-way awards.

Chapter 4 will look closely at specific, real world examples of ways to earn and spend miles.



Chapter 4 – A look at specific opportunities

4.1 Introduction

This section covers the latest opportunities to earn and spend miles on a variety of FFPs. Each example is real and valid at the time of writing. However, due to the nature of these promotions, they can change daily. [Http://www.flyertalk.com/forum](http://www.flyertalk.com/forum) has the latest information on most of these promotions.

To use the information in this section, first read over the examples and identify the benefits in terms of miles. Once you have a feel for the array of promotions of offer, decide to join one or a number of FFPs to take advantage of these promotions. Chapters 5 and 6 show you everything you need to know about taking advantage of a single FFP. This same process can be replicated across any FFP. You can also find additional promotions from various sources listed throughout this guide or at the end in the Resources section.

The most important step is to take action. Sitting and reading this guide is great, but unless you physically take the steps outlined then you will never succeed. Write a list of everything you need to do, from which programs to sign up for to a list of websites you need to visit. Start immediately by doing the small and quick tasks to build momentum. It may take time to achieve all the necessary steps, but most of this is limited by the airlines and other companies as they take time to process everything. It really shouldn't take much of your time to take advantage of the vast majority of these offers.

4.2 Earning miles

This section will look at all the current opportunities to earn miles. Be sure to read Chapters 2 and 3 to understand some of the details and terminology used throughout this section. There are many more offers out there, but I'm only going to cover the best current offers. For example, virtually every airline has a credit card with a sign up bonus, but the first section will only cover those with the best sign up bonuses.

Credit card sign up bonus

December 2009 update: BA and Virgin have recently increased the free miles given out on two of their US credit cards significantly. It is reasonable to expect that other airlines may follow suit. The best source of updated information can be found here:

<http://www.flyertalk.com/forum/milesbuzz-370/>



British Airways chase visa

In November 2009, British Airways announced their latest VISA credit card, offered through the US Chase credit card company. This card is only available to USA residents. It comes with 50,000 miles just for signing up and a further 50,000 miles if you spend \$2,000 within 3 months. This equates to a whopping 100,000 miles without stepping on a single flight. To put this into perspective, if you flew economy round the world 4 times, you still wouldn't make this amount of miles. This offer is still valid at the time of writing but may be replaced very shortly with another not so lucrative offer – be sure to get on the bandwagon with this one as soon as possible.

Sign up link:

<https://applynow.chase.com/FlexAppWeb/renderApp.do?SPID=CQ7K&CELL=6R8Y&AFFID=&CLICK=&CID=&PROMO=DF01&MKID=&MSC=>

For more information, check out the FlyerTalk thread:

<http://www.flyertalk.com/forum/milesbuzz/1013709-100-000-miles-new-ba-chase-visa.html>

Virgin Atlantic black card

BA's arch rival, Virgin Atlantic, was keen to offer a similar deal to the chase credit card for US customers. They have upped their offering by giving 45,000 miles after you spend \$750 within 90 days. You can also collect an additional 5,000 miles by adding 2 additional cardholders to your account. Furthermore, there is the option of collecting an additional 7,500 miles for passing the \$15,000 and the \$25,000 spend mark in one year. Note that there is a \$90 annual fee for this card. Remember, AMEX points can be easily transferred to Virgin Atlantic so if you sign up for a regular AMEX card with a sign up bonus, you can quickly gain enough miles for a free international Upper class flight.

Sign up link: <https://www.applyonlinenow.com/USCCapp/Ctl/entry?sc=UABAH4>

FlyerTalk thread: <http://www.flyertalk.com/forum/milesbuzz/1023427-virgin-atlantic-65-000-miles-new-promo.html>

Delta Skymiles gold AMEX card

A new bonus offering from Delta now gives out 35,000 miles. You receive 25,000 bonus miles just for signing up and a further 10,000 bonus miles for spending \$1,000 within 3 months. Furthermore, this



card comes with no annual fee for the first year. This is a great offer and will inevitably prove popular with Delta Skymiles customers in the USA.

Sign up link:

http://www201.americanexpress.com/sbsapp/FMACServlet?request_type=alternateChannels&lpid=270&ccsgeep=35869&openeep=29987&intomni=tc.hplead_SMAmex_35K_HP_Lead4

FlyerTalk thread: <http://www.flyertalk.com/forum/milesbuzz/930437-35-000-miles-gold-delta-skymiles-cc-4.html>

Other US Credit Card Promotions

Each major US airline has numerous different credit cards. It is actually possible to apply for several credit cards for each airline and earn over 100,000 miles in many of these programs. Be careful when applying for multiple credit cards in a short period of time as this can negatively affect your credit rating if you do it too often. Remember that for most airlines, you can sign up for their personal and business cards without having your own business.

For a full and detailed breakdown of all other major US airline credit cards, check out this article at the Boarding Area blog: <http://boardingarea.com/blogs/viewfromthewing/2009/06/28/how-to-choose-the-best-rewards-credit-card/>

BMI UK credit card

The BMI UK Credit card does not offer an astounding amount of miles. However, given the ultra-cheap cost of award redemptions on the airline, it is more than enough for a free business class flight. A great new trick is also available as of December 2009. BMI allows families (up to 8 people) to pool their miles together for collective use.

This means that several people in the same family (BMI allows “staff” such as nannies/security/anyone else to join the family account too) can apply for the credit card and put all the bonus miles into one pot. If you have eight people do this with the platinum credit card, this gives 192,000 miles – enough to fly anywhere in the world first class, possibly several times. To create a family account log into your Diamond Club account at flybmi.com and select 'Family Membership' in the left hand navigation.

Detailed information about the BMI credit card can be found in *Chapter 5 – Case Study: BMI Diamond Club*. The basic card is free and gives 20,000 miles. The Platinum card has a £69 annual fee



but comes with 24,000 miles. Note that BMI's competitor BA do not offer a very good credit card for the UK market, especially when compared to the 100,000 miles the US Chase Visa card gives. The only real benefit which the BA AMEX card gives is a free companion flight every time you spend £10,000 on the card.

Hotel credit cards

Most major hotel chains have their own credit cards which earn points and usually come with a sign up bonus. These points can be transferred to a number of different FFPs, providing you with even more miles. One of the most popular card is the Starwood Preferred Guest (SPG) AMEX card. While the sign up bonus is only 10,000 it does give a bonus 5,000 miles for every 20,000 points you transfer to an airline FFP. Many people who use the US Mint trick which generates miles (described later in this chapter) also use this card to receive the bonus 25% miles.

Sign up link: <http://www201.americanexpress.com/getthecard/learn-about/Starwood-Preferred>

FlyerTalk thread: <http://www.flyertalk.com/forum/starwood-preferred-guest/720571-spg-american-express-master-thread.html>

Other hotel chains have credit cards, but Starwood is considered to be the best due to its points -> miles exchange rates. FlyerTalk has a general hotels section which contains a wealth of information on all the various hotels chains and how their points convert into airline miles.

Credit card churning

Credit card churning was talked about in chapter 2. As of November 2009, the only remaining airline which has churnable credit cards is American Airlines. There are six AA credit cards (3 of which have the 1st year annual fee waived). The basic premise is to apply for 2 cards and make the necessary spend in order to qualify for the sign up bonus (this is usually only \$750 over 3 months).

Once you receive the sign up bonus, you can cancel the cards and then sign up again. There is some debate about the exact length of time you must wait between applications but the general rule of thumb is no more than 2 applications within a 60 day window. It is best to play it safe and wait an extra week or so to be sure. This also helps prevent damage to your credit rating.

There is an incredible amount of information, including sign up links, on this on FlyerTalk: <http://www.flyertalk.com/forum/other-credit-card-programs/966128-master-thread-faq-citibank-application-process-q-consolidated.html>



This thread provides further discussion around how many cards you can hold simultaneously:
<http://www.flyertalk.com/forum/other-credit-card-programs/778645-citicards-60-day-one-application-policy.html>

Earn miles on credit card purchases

All airline credit cards give you miles for every £/\$/€ you spend. Usually this is around 1 mile per £/\$/€ spent. This section looks at various ways of taking advantage of this.

Buying money from the US mint

The US mint produces all the hard currency used in the United States. Congress requires the US mint to produce and sell, at face value, a certain number of \$1 coins. Dollar bills (notes) get torn or damaged and must be replaced fairly often. It is therefore cheaper to introduce coins into circulation as these usually last around 25 years. The US mint therefore sells boxes of \$1 dollar coins through their website. They sell for \$1 each and come with free shipping.

It doesn't take a genius to work out that if you buy \$1000 worth of coins for \$1000 (using your credit card), then you can take the coins to the bank and deposit \$1000 in your bank account in time to pay your credit card bill. Best of all, you receive miles for this purchase if you use an airline credit card. There are a few catches, like the amount of coins you can order per address in any given period. For most people, the biggest limiting factor is actually having to carry the boxes of coins to your bank. They are quite heavy so make sure you can park nearby and have some friends help you to carry them.

As of December 2009, various national media sources have picked up this opportunity and the US Mint is aware of the trick. However, there is little they can actually do about it due to the law requiring them to sell the coins. Updated wording on their site reads:

“The immediate bank deposit of \$1 Coins ordered through this Program does not result in their introduction into circulation and, therefore, does not comply with the intended purpose of the Program.

Through December 31, 2009 there is a 20-box (or \$5,000) household limit on Native American \$1 Coins. If you need quantities greater than this, please send an e-mail at the time of your order to directship@usmint.treas.gov to explain why your order should be exempted from the limit.”



Lik: <http://catalog.usmint.gov/webapp/wcs/stores/servlet/CategoryDisplay?langId=-1&storeId=10001&catalogId=10001&identifier=8100>

Regardless of the intended purpose, it is still perfectly legal to purchase these coins and deposit them in the bank. Also, note that the 20-box household limit applies to each address, not each credit card used. You can purchase a box of coins for \$250, pay with your airline credit card, and collect \$250 worth of points/miles. When the coins arrive, you can take them to the bank and deposit them into your account - they are legal tender after all. When your credit card bill comes, you will have enough money in your bank to pay the bill, ensuring you get the points.

When purchasing Native American \$1 coins, up to \$5000 can be purchased at once. Furthermore, orders over \$300 qualify for free shipping.

This system can be repeated, so long as different addresses are used - try not to register for an account on their site as this limits the amount of coins you can purchase. Obviously, this trick is mainly focused on the US Market, as shipping fees and customs charges limit the potential of overseas customers making use of this method.

Full discussion on FlyerTalk: <http://www.flyertalk.com/forum/milesbuzz/833911-buy-presidential-dollar-coins-cc-face-value-free-shipping.html>

Online gambling

Another method with credit cards is to put money into an account with an online sports betting company or casino and pay with your credit card. Then, simply make a withdrawal from this account and you receive your money back by personal cheque through a 3rd party company, such as Neteller. You can deposit this into your bank account, and use it to pay your credit card bill. In the process, you will earn 1000 miles or equivalent. These loopholes change all the time, so please check sources such as Flyertalk.com/forum to see what the latest scoop is relating to this.

Some sites force you to make a bet first, but this is no problem. For sports betting you can bet up to the final minute of the game, on a team which is well ahead and sure to win. Check the terms & conditions, as some sites only require one bet (this could be \$1 out of a \$1000 balance) in order to allow you to withdraw your money.

Though the US has banned online gambling, some international sites still allow it. Check out <http://www.internet-poker.co.uk/US-Casinos-That-Accepts-USA-Players-Deposits/> for more information.



Offline gambling

Some casinos will allow you to charge chip purchases to your hotel room, then pay for your room by credit card. You can simply walk up to the cashier at any point and convert your chips into cash. In the US, many casinos do not allow this. Furthermore, cashing out more than a certain limit (usually \$10,000) means extra tax implications. Cruise ships with casinos are usually quite good for this method. Royal Caribbean Cruises in particular will always let you charge your chips to your room.

Other smart credit card use

There are many ways you can maximise your credit card use in day to day life, without costing you anything. At a restaurant with friends, try offering to pay by card and have everyone pay you in cash. Making sure you purchase your groceries with credit cards instead of cash is another good option. Considering the average family spends over \$7000 per year on groceries, this is an ideal opportunity to earn additional miles. Try to pay for as many regular expenses with your credit card as possible. Be sure to control your spending and make sure you are not buying additional items which you wouldn't otherwise purchase. This is not an efficient way of earning miles.

If you claim expenses through work, be sure to use your own airline credit card to make the purchases, and then claim the costs back through work. You can really rack up additional miles using this practice.

Buying miles

There are two ways to buy miles. One is directly through the airlines and the other is through a 3rd party site such as <http://www.points.com>. Some airline websites actually use Points.com anyway but it is still worth checking both to see the prices.

By far the best FFP to buy miles with is BMI. While miles are not especially cheap, the very low redemption rates make it a very attractive proposition. A very detailed analysis of this is available in Chapter 5 – Case Study: BMI Diamond Club. You do not have to be European based in order to buy miles with BMI and you can spend them on any star alliance flight worldwide.

At the time of writing, no other airlines offer worthwhile miles for purchase. Alaska Airlines seems to have no limit on the amount you can purchase, but their award redemption prices are quite high so this makes it an expensive option. It is still a good move if you are just a few mile short of your goal for your next award flight. Be sure to check <http://www.milemaven.com/p> before you buy miles as airlines often have promotions where you get additional miles for every mileage purchase you make.



Buying award tickets and upgrades

Some individuals have so many miles that they wish to sell them. However, airlines limit the amount of miles that can be transferred annually. The solution that some people have adopted is to purchase an award flight on behalf of someone else, then charge the person for this. Though not illegal, airlines do frown upon this practice. In reality, they are unlikely to be able to catch you but make sure you understand the risks here. If you do choose to purchase tickets in this way, it is a good way to save a lot of money on premium air travel if you are happy with the risks. A detailed explanation can be found here: <http://www.awardtraveler.com/articles.asp?articulo=27>

A similar solution to buying award tickets is to purchase upgrade vouchers for cash. Many US airlines give system wide upgrade vouchers to certain travellers when they reach a certain milestone in their travels. Some travellers choose to sell these upgrade vouchers. You can often purchase an upgrade from economy to business class for a long-haul flight for as little as \$400. Be sure to check that your ticket is upgradeable by calling the airline.

Some website which usually sell these include:

<http://travelupgrade.ecrater.com/>

<http://www.craigslist.org/>

<http://www.ebay.com/>

Please be aware that although the airlines are unlikely to catch you, if they somehow do discover this then you are putting your ticket at risk. Many people describe this practice as *black hat award travel*. It is certainly **not** against any state or federal law, however.

Other promotions

Airlines regularly have a whole host of special promotions to earn additional miles. Past examples have been 5,000 miles for having a free eye examination, 16,000 miles for signing up to The Economist and 20,000 miles for having a free hair loss examination. These promotions are usually short lived but crop up all the time. Instead of tell you about the exact promotions that are available (that would require almost daily updates to this guide), I'm going to show you where to find them.

1. Sign up to as many airline email newsletters as possible. The latest promotions are usually announced here first.
2. Check <http://www.milemaven.com/p> regularly for promotions on specific airlines.
3. Check the Miles Buzz forum on FlyerTalk: <http://www.flyertalk.com/forum/milesbuzz-370/>
4. Check individual airline forums for the major airlines on FlyerTalk: <http://www.flyertalk.com/forum/airline-programs-374/>
5. Check this FlyerTalk forum: <http://www.flyertalk.com/forum/s-p-m-2/>
6. If you are in Australia, be sure to check for local promotions here: <http://www.frequentflyer.com.au/community/>



Consolidating miles across programs

Sometimes you may end up having lots of miles spread across a number of different FFPs. The solution is to move your miles into one FFP so that you can redeem them for a decent award flight. A great way to do this is through <http://www.points.com>.

Another option is to use hotel programs to exchange miles. Many FFPs let you transfer your miles into a partner hotel program, such as Starwood Preferred Guest or Hilton HHonors. From there, you can transfer your new hotel points into another airline's FFP.

Both these methods will end up costing you, either in cash or by a loss of miles. It is still worthwhile doing this if you don't earn many miles in certain programs. Often a great promotion will come along, for a FFP that you don't use, that is just too good to miss. After you collect your miles from the promotion, transfer them over to your main FFP account and enjoy the extra miles.

Spending miles

This section will look at the best ways to spend miles. Be sure to read Chapters 2 and 3 to understand some of the details and terminology used throughout this section. There are many more offers out there, but I'm only going to cover the best current offers. As some of these deals change regularly, I will also show you how to find them for yourself.

Searching for award flights

When it comes to finding award flight, most people simply call up their airline. This can take a long time unless you are very specific. There are a number of online tools which make it easier to choose the best option for you.

KVS availability tool

Website: <http://www.kvstool.com/>

This is a standalone application that you can download. You must be connected to the internet for it to work. The most basic level of access is free, however to access the award availability part you have to pay. While the cost is only \$15 for 2 months or \$60 per year, there are some free tools that do the job. This tool is for serious frequent flyers.

A full guide is available on the site: <http://www.kvstool.com/FAQ.php?Source=HOME>

There is also a FlyerTalk thread here: <http://www.flyertalk.com/forum/travelbuzz/319244-new-kvs-availability-tool-here.html?referrerid=28181&xs=h#post2804833>



I recommend making your own thread on FlyerTalk and asking if someone with premium access to the tool can check something specifically for you. This is good for one-off requests, but if you ask too often then people may stop responding.

ANA / Star Alliance tool

Register free here: <https://cam.ana.co.jp/amcmember/amcentry/AMCEntryFacadeEn>

Login to use the tool here: https://aswbe-i.ana.co.jp/p_per/sky_ip_per_en/preAwdSearchLogin.do

All Nippon Airways (ANA) is a Japanese airline and member of the Star Alliance. It has a comprehensive award availability search engine built into its website. Anyone can register for free for an ANA Mileage Club account. The tool is not so great at working out complex routings, and by complex I mean anything more than one point to point flight with no stopover/changes. It is best to search for each segment of your trip individually.

It is not very good at suggesting alternate routes. For example, searching for Frankfurt – Singapore may bring up several Singapore Airlines and Lufthansa direct flights. However, it will not bring up the option to fly Turkish Airlines via Istanbul or Swiss Airlines via Zurich. Try to use the Star Alliance route map available at <http://www.staralliance.com> in combination with this tool to first identify all possible options, and then search for availability segment by segment. Note that a similar tool exists on Air Canada, however it is not as comprehensive so should be avoided in favour of the ANA tool.

FlyerTalk thread about the ANA tool: <http://www.flyertalk.com/forum/bmi-diamond-club/882941-bmi-faq-no-4-redemptions-finding-award-seats-ana-online-tool-masterclass.html>

One World tools

One World has two airlines with comprehensive tools – BA and Qantas.

BA sign up link: https://www.britishairways.com/travel/inet/public/en_us

BA tool link:

http://www.britishairways.com/travel/redeem/execclub/gf/en_us?eld=106019&tab_selected=redem&redemption_type=STD_RED

Qantas sign up link: <https://www.qantas.com.au/fflyer/dyns/joinff>

Qantas tool link: <https://www.qantas.com.au/fflyer/dyns/LoginForm>



You must register to use both tools – by registering you are effectively signing up to their FFP but it is quick and painless. The BA tool is slightly better in that it searches Cathay Pacific and Japan Airlines while the Qantas tool does not. However, the Qantas tool is slightly easier to use.

Sky Team tools

Most Sky Team airlines are very well integrated when it comes to award availability. Check out the tool on the Delta website: http://www.delta.com/awards/home.do?EventId=ENTER_APPLICATION

No need to register for this one either!

Tip for calling airlines

Some airlines have freephone numbers that you can call, others do not. Since booking an award can take time, I suggest using <http://www.skype.com> or a similar service to make the call as the calls are very cheap through this service. This is especially true if you are calling from another country.

If you are in the UK, many airlines have expensive 0870 number which cost 10p per minute and more from mobile phones. Try the free service <http://www.saynoto0870.com> to search for alternate phone number. Inclusive call allowance on monthly plans does not work on 0870 numbers but does work on the alternate number listed on that website.

Cheap redemptions

This section looks at how to find the cheapest redemption opportunities. I will start by saying that in my experience, no airline comes close to BMI. Check out Chapter 5 – Case Study: BMI Diamond Club for further information on this specific airline.

Most other airlines are pretty well matched on the majority of their routes. There are some cheaper options that are worth paying attention to. AA's saver awards can result in a nice discount, if you can find availability. The best site which lists unusually cheap redemptions is http://www.flyerguide.com/wiki/index.php/Best_Frequent_Flyer_Award_Values.

Upgrade awards can also be very “cheap” on many airlines. You must usually have an expensive full fare economy ticket in order to upgrade. However, many airlines now offer a Premium economy class. These tickets are a little more expensive than discount economy, but still much less than full fare economy. Try to upgrade from Premium economy to business class and it won't cost that many miles.



Intelligent redemptions

The intelligent redemptions section in *Chapter 3 – Strategies for Spending Miles* covers most of the information you need to know. Here, I will give some examples to of intelligent redemptions to illustrate what can be achieved.

Routings, stopovers and airlines

I recently had to travel one-way from London to Bangkok but wanted to stop off in Kuala Lumpur and if possible another country that I hadn't been to before. At the time I had a lot of miles in a BMI Diamond Club account so could travel with Star Alliance. When looking at the redemption costs, I found it to be significantly cheaper to travel from Central Europe rather than from the UK itself. It was also cheaper to fly to the Far East (Hong Kong / China / Korea/ Japan) than to South East Asia.

Furthermore, I wanted to travel on Singapore Airlines new long haul business class seat. The only place in Europe I could find availability (through the ANA site) for these seats was from Zurich – Singapore. However, Switzerland is in Western Europe Zone for BMI. I would therefore start my trip from Copenhagen and fly from there to Zurich, before taking a flight on to Singapore. This flight would have the new business class seats.

I could have flown direct from Singapore to Bangkok, but instead chose to fly on Singapore Airlines to Kuala Lumpur and have a stopover of two weeks in Kuala Lumpur for a vacation. From Kuala Lumpur, I flew Thai Air onwards to Bangkok. The problem is that Bangkok is in South East Asia, which is actually more expensive to travel to than the Far East zone. It worked out cheaper to book an extra flight onwards to Tokyo which I had no intention of using.

Overall, my flight went from Copenhagen – Tokyo. But I had broken it up into 5 flights, all business class. I also elected to pay with Miles + Cash, meaning the total cost was only 18,750 miles plus around £300 including tax. Excellent value really considering what this would normally cost. To get to Copenhagen to begin my trip, I simply purchased a cheap flight on budget airline Norwegian which flies regularly from London to Copenhagen.

Had this been a return trip, my outbound journey would have finished in Hong Kong (closer to Bangkok). My return journey would have been Hong Kong – Bangkok – London – Copenhagen. I would simple not have used the final London – Copenhagen flight which would be included on my award ticket because I would be back in London which is where I wanted to end up.



Changes

To continue the previous example, if I wanted to make changes to my flight this would be possible (subject to a £20 per ticket change fee in this case). I would have made sure that I booked my flight as two singles. This costs the same, but allows for extended stopovers and more important easier changes. Some airlines do not permit changes once you have taken the first flight of a journey. This means that booking two single flights gives you more opportunity to make these changes.

Taxes

The simplest way of finding out taxes and charges that must be paid for an award flight is to make a dummy booking for a specific trip on an airline website and find out what taxes are due. Remember that in some countries, first and business class fares attract additional taxes.

A full breakdown of all Star Alliance routes and their taxes can be here: <http://www.tmtm.com/SA-tax.csv>. For a list of airport codes, see here: <http://www.world-airport-codes.com>.

Comfort and luxury

As was mentioned in Chapter 4, there are various sources to find out about the seat product and the service offerings of various airlines.

The first port of call is to find out which airlines fly on your chosen route. Once you have found out which airlines have award availability, visit each of their websites to check what they offer. Look for a section of the website dedicated to the in flight experience as per the example below:

Information



- > **Flight information**
- > Latest travel news
- > Arrivals and departures
- > Route maps
- > Timetables
- > Airline alliances



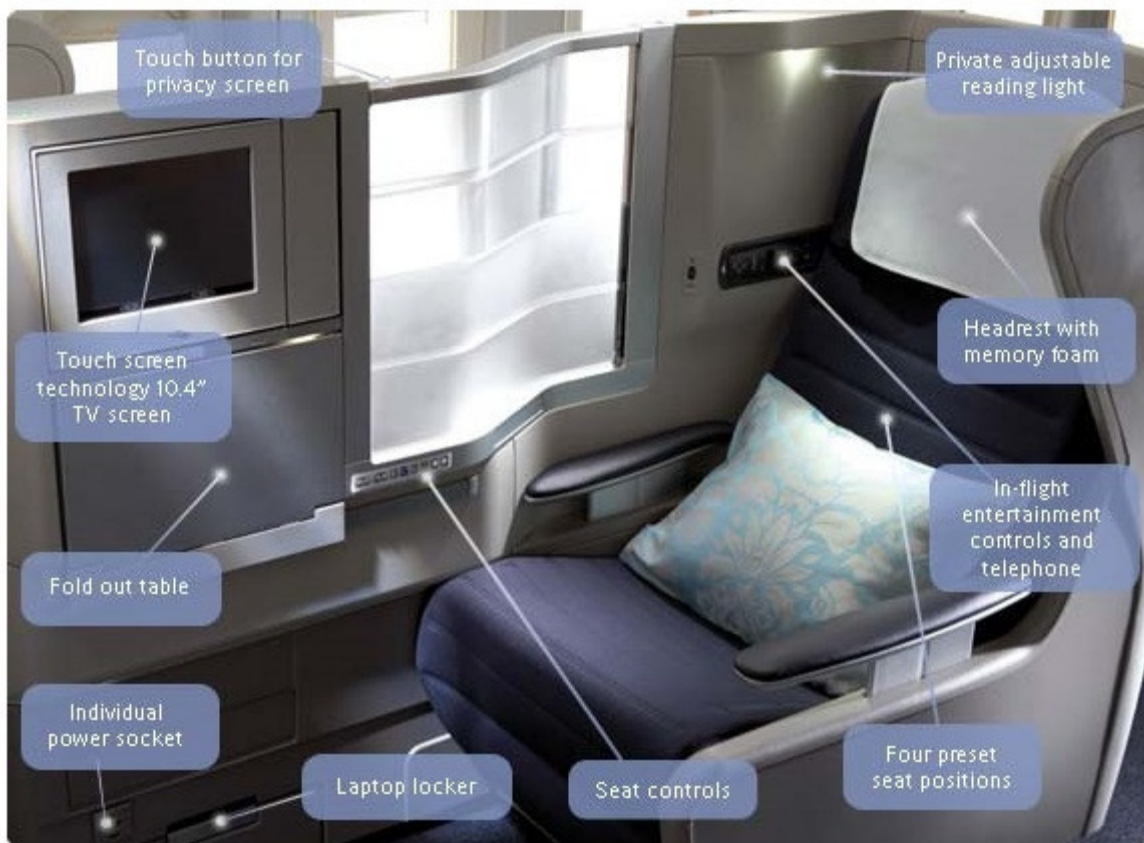
- > **Travel classes**
- > First
- > Club World
- > Club World London City
- > Club Europe
- > World Traveller Plus
- > World Traveller
- > Euro Traveller
- > UK Domestic



You will then be able to view the different kinds of seats available in each class. Note that as some airlines upgrade their aircraft, they may have several different kinds of seats. Check <http://www.seatexpert.com> to find out which aircraft you will be travelling on. You can also find out this information through your booking confirmation – look for the aircraft code (e.g 744 for Boeing 747-400).

The airline website will show you some professional photographs and sometimes even video of the seats. Beware that these photos are often taken to make the seats look more spacious. Often pictures show exit row seats and if people are shown, they are rarely tall – as this would make the seats appear smaller. Here is an example of the British Airways website:

Your seat, your bed, your space




Further seat pictures can be found on various trip reports located on the Airliners.net website: http://www.airliners.net/aviation-forums/trip_reports/. FlyerTalk.com also has its own trip reports section located here: <http://www.flyertalk.com/forum/trip-reports-177/>.


The following is a screenshot of a typical trip report form Airliners.net. It shows more detailed pictures of the aircraft and the seats. Some passengers even take video. This is a great way to get a more realistic feel for what an airline offers in terms of seating.



It was with a grin on my face that I selected 64K a couple of weeks ago. Normally I choose 62K but I wanted to try something different this time.



I must say that I liked the cocoon feel that you get in this seat. I did miss the open feel of 62K and I did not like that they lowered the divider for everything where in 62K they approach you from the front. For my next flights I guess I can live with both but I chose 62K for my flight to EYD in 3 weeks. I should realize how lucky I am that I can fly on the UD and that I almost always have the choice of 62/64K.



When it comes to service, you can get a good idea of what is offered by the wording in the trip reports. People are very quick to criticize bad service so be sure to read a few reports before making any conclusions about a specific airline.

A lot of people also take photo of airline meals. <http://airlinemeals.net/> is a central location for all these photos and gives you a very detailed look as what is offered by each airline.

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Chapter 5 – Case Study: BMI Diamond Club

5.1 Introduction

This section looks at the BMI Diamond Club frequent flyer program. It will look at why the BMI Diamond Club is a good FFP and then, using real examples, show you how to obtain lots of miles. It will then look at how to spend these miles to obtain long-haul business class flights. Pay attention to this section so you know what to look for when finding a new FFP to take advantage of.

5.2 What makes the BMI Diamond Club so great?

BMI are in a unique position in the airline industry. They are the only British airline in the Star Alliance, which is currently the largest airline alliance in the world. They are also trying very hard to compete against the much larger British Airways (BA). For this reason, their Frequent Flyer Program is very attractive as they are trying to persuade business travellers to switch from BA to BMI.

As part of the Star Alliance, you can collect and redeem BMI Diamond Club miles by flying on any Star Alliance airline plus a number of other partners such as Virgin Atlantic and Qatar Airlines. This means that you can redeem miles for an award flight and use any number of Star Alliance airlines. It is worth paying attention to the airline partners. Often airlines have many partnerships with other airlines outside of their Alliance. For example, Alaska Airlines has several partnerships with airlines from all three major Alliances.

You can often use a mix of airlines for each redemption trip. For example, a typical route of London - Tokyo could be just a single flight on All Nippon Airlines (a Japanese airline). If you wished, then you could travel London - Copenhagen - Singapore - Bangkok - Tokyo and travel on SAS, Singapore Airlines, Thai Airways and All Nippon Airlines. You can also have stopovers for as long as you like in some destinations. This adds unparalleled flexibility to your travel planning, allowing you to pick complex routings at a cost far cheaper than you would otherwise have to pay.

BMI also have a much cheaper rate for premium award redemptions. For business class this is 1.5x the economy rate and for first class 2.5x the economy rate. BA on the other hand charge 2x the economy rate from business class and 3x the economy rate for first class - a huge difference and key to opening the door to premium travel.

Different airlines will charge different amounts for premium class awards. Alaska Air for example charges a lot for business class redemptions, but not much extra on top of that for first class redemptions. Whichever FFP you choose, work out which award represents the greatest value per mile.



Like most FFPs, BMI separate Status and Destination Miles. Status Miles count towards tier status only. Destination miles count towards everything else, including free award flights. Due to the way BMI zone their award flights, there are some amazing opportunities to use this to your advantage and gain very cheap award flights.

Finally, the Diamond Club has a number of methods for obtaining free or cheap miles without having to fly. Usually, the first thing to look for is an airline credit card. In the case of the Diamond Club, they also have the ability to buy miles. This, combined with their super cheap award redemption rates makes a winning combination when it comes to free flights.

5.3 Earning Miles

Sign up bonus

BMI Regularly offers a free sign-up bonus to perspective Diamond Club members wishing to sign up. The best way to find these is on <http://www.milemaven.com/offers/program/29/>. You can essentially get a few thousand miles instantly for free.

Make sure you always check for sign up bonuses before signing up. In some cases you get a bonus for referring a friend. In which case, have a friend who doesn't plan on using their account to sign up and refer you to collect the bonus.

BMI credit card

The BMI American Express (AMEX) card is available to UK residents. The card is issued by MBNA and therefore the decision on whether you are eligible for the card lies with MBNA instead of AMEX. If you already have an MBNA card and are rejected for the BMI card, it may be possible to call them up and request they split your existing limit between your current card and a new BMI AMEX card. I would strongly advise applying for one as the sign up bonus alone is worth a lot in terms of redemption possibilities.

	bmi American Express® Credit Card from MBNA	bmi plus American Express® Credit Card from MBNA
Welcome bonus	20,000 destinations miles** when you spend £250 within 90 days. Enough for 2 return flights in zone 1 - Cologne, Amsterdam, Dublin and more	24,000 destinations miles** when you spend £250 within 90 days. Enough for 2 return flights in zone 2 - Moscow and Greece. Instant Blue Plus status or 3,000 status miles for Blue plus, Silver or Gold members
Miles earned per £1 spend	1.5 destinations miles*	2 destinations miles*
Double miles at flybmi.com	3 destinations miles	4 destinations miles



To apply, visit the following link:

<http://www.flybmi.com/bmi/en-gb/diamond-club/credit-card/credit-card.aspx>

The free card comes with 20,000 miles, assuming you spend £250 within 90 days. All major UK supermarkets accept American Express so if you are human and eat food, then I assume you will be spending this amount of money on food anyway. Don't be tempted to buy additional things you don't need, just to get more miles. Everyone should be able to use their card to buy £250 of goods in 90 days that they would otherwise pay for by debit card or cash.

The standard card also gives you 1.5 miles per £1 you spend on the card so if you buy a lot of items on your credit card then you can rack up points. If you claim a lot of expenses through work, this is another great opportunity to gain points.

There is also a platinum card which costs £60 but comes with 24,000 sign up bonus. At 1.5p per extra mile compared to the standard card, it is a no-brainer to get the premium card for the first year. You get 4,000 more destination miles (24k v 20k) which are worth at least £60. You will also receive a 2 miles for every £1 you spend.

After the first year, it may be worth trading down to avoid the fee. If miles are worth 1.5p each and you get an extra 0.5 miles per £1 with the premium card, then break-even figure for keeping the premium card is £8,000 of spending per year. You'd be getting 4,000 extra miles on £8,000 spend which to my mind are worth £60. If you spend less than £8,000 per year on the card, it may be worth trading down. Consider the cost per mile when looking at credit card deals as some which have an annual fee are not very good value. Often the fee for the first year is waived, so it is worth cancelling before you are billed for the annual fee for the next year.

Credit cards charge a fee for cash withdrawals which means it is difficult to find loopholes where you can pay for things, earn miles, and then get the cash back. It is sometimes possible with online betting, where you can deposit say £1000 from your credit card, then withdraw the £1000 back from the site in time to pay your credit card bill. Other good tips include buying dinner for friends when you are splitting the bill, and paying on your card then having them pay you cash for their share. Note that you do not earn miles on balance transfers.

If you run a small business then you can make some serious points quite quickly by applying for the small business credit card. This card costs £69 per year and earns 1 mile per £1 spent. It comes with a 20,000 mile sign-up bonus. More importantly, it is a Visa card meaning it is more widely accepted than AMEX. It also comes with free annual travel insurance. Most airlines offer business credit cards too and the key factor here is that you can give them to your employees and earn miles from their spending too. Check out: <http://www.mbna.co.uk/business/business-cards.html> for more information.



Making the most of the credit card bonus

Remember that you can book one way flights with destination miles for 50% of the miles, or 50% of the miles & 50% of the cash. If you think about it, you could sign up for a credit card, book a one-way miles + cash award in business class from Europe – Far East, then have a member of your family do the same but book the return flight in your name. You can therefore get a return business class trip from zone 2 - zone 8 for £255 + tax. That is cheaper than economy fare. Even if you live in the UK, you can purchase a cheap Norwegian Airlines flight from London - Copenhagen, then book your award flight Copenhagen - Bangkok - Tokyo. You can then book the return flight Tokyo - London - Copenhagen and simply not use the final London - Copenhagen section of your flight. This is a great example of putting several factors together to make the award redemption great value.

Surveys

Most Diamond Club members will receive an e-mail at some point asking them to sign up for e-rewards.com survey group. Basically you sign up and enter some information about yourself. Every so often you receive an e-mail asking you to take a survey. They will credit you with a certain number of points for each completed survey. These points can be converted to Diamond Club miles. It is well worth signing up if you are invited as it is essentially free miles for a tiny bit of your time. It can however be a hit or a miss as to how often you receive a survey. Overall it should be easy enough to get another 2,000 - 5,000 Destination miles per year out of this scheme. Look out for similar promotions in other FFPs. E-rewards has partnerships with a lot of different FFPs and essentially give you miles for a tiny fraction of your time.

Buying miles

BMI give all Diamond Club members the opportunity to buy, or have bought for them, up to 24,000 destination miles per calendar year. Destination miles can be bought in quantities of 1,000 from the Diamond Club members' area. Typically a £15 transaction fee applies per purchase, regardless of whether you purchase 1,000 or 24,000. However BMI seem to continually have a no transaction fee "special offer" so more often than not this won't apply.

Visit <https://www.flybmi.com/bmi/en-gb/diamond-club/diamond-club/members/buy-destinations-miles.aspx> to buy miles. Note that you must be logged in to your Diamond Club account to buy Destination Miles.

It is important to note that the maximum 24,000 miles is per calendar year. So you can purchase 24,000 on the 31st December and 24,000 on the 1st January, giving you 48,000 miles which is more than enough for a miles + cash business class flight. Note that BMI miles purchased though flybmi.com are processed by a different external company. This means that you won't earn double miles for using a BMI credit card for miles purchases.



Top up your balance for even greater rewards.

- Each Diamond Club member can buy and/or be gifted a combined total of up to 24,000 destinations miles within a calendar year
- Destinations miles can only be purchased online in denominations of 1,000
- Purchased destinations miles are non transferable and non refundable

Buy miles for you

Got your sights set on a destination that's just out of reach? You can now top up your miles balance and get to wherever you want to visit even faster.

Buy miles for you

Destination miles cost £12 per 1,000 miles (plus £15 transaction fee).

So 24,000 miles would cost £288 (plus £15 transaction fee).

Most major airlines allow you to buy miles, transfer miles or receive miles as a gift. There is usually a cap on the number of miles one can receive in any one year. On Alaska Airlines, there is no such cap and you can buy unlimited miles with them, presenting a great opportunity to obtain cheap first and business class flights.

BAA Worldpoints

BAA, the operator of many major UK airports has its own loyalty scheme called BAA Worldpoints. You can collect one point per pound you spend on typical airport things such as duty-free, parking, and transport. 500 points may be redeemed for 750 BMI miles. It is not a terribly effective way to collect miles, but if you are buying duty-free anyway then it can't hurt. Occasionally they have special promotions for example buy a bottle of perfume and receive an extra 250 points. It is still not worth buying lots of item just to collect miles in this way but take every opportunity to collect miles if you're shopping at the airport anyway.

To sign up, visit <https://www.baaworldpoints.com/>

UK Amex

Standard UK American Express (AMEX) cardholders can convert 1 Membership Reward point for 1 BMI Destination Mile. This must be done in quantities of 1,000 but there is no upper limit so if you have some AMEX reward points then transferring them to the BMI Diamond Club is one of the most effective ways to spend your points. I would not encourage people to sign up for standard UK AMEX cards to collect points, as BMI have their own credit cards which earn more miles than the standard UK AMEX cards. See the section above on the **BMI credit card**.



If you have a platinum AMEX charge card in the UK, remember that you can buy 10,000 Membership Rewards points in any 12-month period for 1.5p each. These can be transferred directly into BMI miles.

American Express cards registered in France, Belgium and The Netherlands can also convert their Membership Reward Points to BMI Destination miles at the same rate.

AMEX has a host of partners in different countries and it is always possible to convert AMEX points into miles. AMEX cards associated with airlines such as the American Airlines Citi AMEX card, usually offer sign up bonuses. It is also possible to find AMEX cards associated with hotel loyalty programs, for example Starwood AMEX. These also offer the possibility to convert reward points into miles, but with a much wider range of airlines.

5.4 Spending miles

Redemption rates

Redemption rates are the cost, in miles, to obtain a free flight on an airline. Earning rates are the number of miles obtained when flying on a paid flight. While earning rates are very similar for all airlines, redemption rates vary considerably.

For example, an economy flight of 4,000 miles will typically earn 4,000 miles. However, to redeem miles for a London - Tokyo flight in business class varies a lot between airlines. BA will charge you 160,000 miles while BMI will only charge you 105,000 miles. In most cases, redemption rates will vary massively between different airlines. When looking to choose a FFP to take advantage of, this is one of the most important factors to consider. Another factor to consider is award availability. Airlines such as American Airlines offer the option of having a much cheaper redemption, but with severely restricted availability.

BMI destination miles can be redeemed for flights on BMI and any of its Star Alliance partner airlines. The cost in miles is based on the zone you are travelling to. There is no difference in redemption costs for different Star Alliance airlines, except Lufthansa first class which carries an extra 10,000 mile fee.

Different classes of travel are charged at different rates. In general business class is 1.5x the economy rate and first class is 2.5x the economy rate. This means that business class gives the best value per redeemed mile. In contrast, most other FFPs charge 2x the economy rate for business class redemptions.



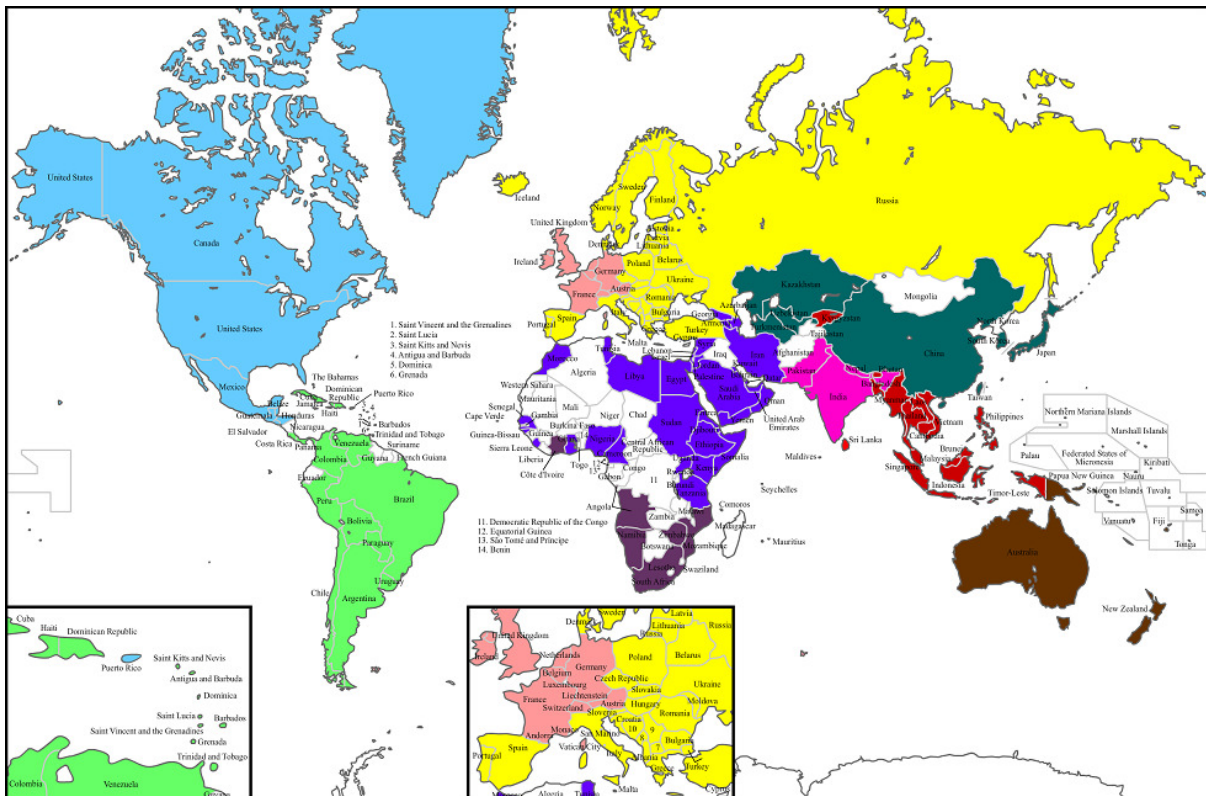
Pay close attention to the zones you are travelling in and particular the zone map in the Zone Abuse section. This will help you to minimise redemption costs. Always get 2x one-way award flights instead of a return. It costs exactly the same but means you are much for flexible in terms of stopovers and changes.

A detailed redemption chart is available on the BMI website at: <http://www.flybmi.com/bmi/en-gb/diamond-club/diamond-club/ways-to-spend-miles/bmi-and-star-alliance-flights.aspx>

Zone abuse

There are a number of loopholes in the BMI redemption chart which enable you to take further advantage of these low rates. If you wish to fly from London - Bangkok (zone 1 - zone 7) this will cost 80,000 in economy. However, you can fly Copenhagen - Bangkok - Hong Kong (zone 2 - zone 8) for only 50,000. By purchasing a cheap flight from London - Copenhagen on Easyjet or Norwegian Airlines, you can save 30,000 miles. That's almost a 40% saving, and you get a free extra flight to Hong Kong. Even better, is when you use Miles Plus Cash option to obtain a business class flight. Zone 2 - zone 8 can be had for 37,500 miles and £255 - a phenomenal deal.

See the picture below for a graphical display of zones that BMI uses for award redemptions



You can also make some great use of the system by travelling through different zones on your route. For example, Zone UK - USA (z1-z3) is the same price in miles + cash as UK - Argentina (z1-z4). However, you can travel UK - USA - Argentina and have a stopover for as long as you like in the USA.



For example, you could travel London - New York - Washington DC - Miami - Argentina. So you get eight flights for the price of two, assuming you have a return trip. Remember, tax is always added to the final price even on 100% miles redemptions. See the tax section for a full list of Star Alliance taxes.

Miles plus cash

This is why so many people have moved from BA to flying BMI. Instead of paying the full amount of miles for a flight, you can pay 50% of the usual cost plus a small amount of cash. A flight from London - Sydney in business class normally costs 150,000 miles. However, you can opt for a miles plus cash redemption for 75,000 miles plus £510.

To find out the miles plus cash required, refer to the chart in the above link. The figures in brackets apply to miles plus cash. For business class flights, multiply the miles **and** the cash required for an award redemption by 1.5 and for first class multiply by 2.5.

For example, Zone 1 to Zone 3 (UK - USA) an economy return ticket would be 25,000 miles plus £140.

Business class would be 25,000miles x 1.5 = **37,500miles** plus £150 x 1.5 = **£210**.

First class would be 25,000miles x 2.5 = **62,500miles** plus £150 x 2.5 = **£375**.

Taxes

Remember when making an award booking with BMI (and any airline) that you always have to pay for the tax. A full breakdown of taxes is available here: <http://www.NeverFlyEconomy.com/tax.xls>

Finding award flights

To book an award flight, you can simply call the Diamond Club phone line on +44 870 6069 977. If you are calling from a mobile phone or Skype, then it will probably be cheaper to call their non-0870 numbers, +44 1332 854274 or +44 1332 648768. Be aware that the call centre is based in India and the customer service and English language abilities of all the agents are not brilliant. That being said, I have always been able to book an award flight no problem. On every plane there are only a few seats designated as award seats. This means that if someone else has booked an award on that flight then it may not be possible for you to do the same on the flight you wish. It can be tedious finding the correct flights through the call centre.

Fortunately, there is an online tool by the Japanese airline All Nippon Airways (ANA) that allows you to check Star Alliance award availability as well as Virgin Atlantic and Qatar Airlines. This is commonly referred to as the ANA tool. Swiss Air, Air China and Shanghai Airlines cannot be checked through the ANA tool.



Register free here: <https://cam.ana.co.jp/amcmember/amcentry/AMCEntryFacadeEn>

Login to use the tool here: https://aswbe-i.ana.co.jp/p_per/sky_ip_per_en/preAwdSearchLogin.do

The tool can be a little complicated to use for beginners. Fortunately, a great guide exists here on FlyerTalk: <http://www.flyertalk.com/forum/bmi-diamond-club/882941-bmi-faq-no-4-redemptions-finding-award-seats-ana-online-tool-masterclass.html>

Expert Flyer has an alternate search tool which you have to pay for, but they offer a 5-day free trial. This works with non Star-Alliance airlines too: <http://www.expertflyer.com>

Stopovers

A return award flight permits one "stopover" outside Europe. This means that you can spend more than 24 hours at one destination along your route. A trip from London - Singapore - Tokyo - Bangkok - London would mean you can spend over 24 hours in Tokyo and either Singapore or Bangkok, but not both. However, there is a trick to getting round this. If you purchase your trip as two singles, then you are effectively permitted two stopovers for the same trip. The price for a single trip is exactly 50% of a return trip meaning that there is no reason not to do this. Combined with the final destination, this means you can stay for as long as you like in three places on your trip.

You are permitted to spend up to 24 hours in each destination. This means you can still spend some time visiting a city, for example, to break up a long trip or to have a business meeting in a city. Most award flights allow stopovers and side-trips. Few people realise this and take advantage of it because they assume the rules will be the same as they are for cheap economy fares. This is not the case. Check the terms and conditions for rules on stopovers.

Changes

Changes can be made to an itinerary at a charge of £20. Any routing changes obviously require you to pay the difference in miles/cash/tax if applicable. For simple date changes, you only pay the £20 change fee. This can only be done prior to the start of a trip, not half-way through a journey. A good trick is to book your journey as two singles as this costs no extra. It then allows changes to be made before the start of your return trip. Useful if you want to return early or stay later due to unforeseen circumstances. Almost all award flights on any airline can be changed for a minimal fee.

Routings

When considering your routing, take into consideration time, cost and comfort. If you are on a tight schedule then the most direct route is normally the best. <http://www.StarAlliance.com> has a full route map for all Star Alliance airlines.



Consider the cost of starting and finishing in certain zones. A great example is the Z1-Z8 vs Z2-Z8. There is a significant saving in travelling from zone 2 instead of zone 1. A London - Tokyo flight can be booked Copenhagen - London - Tokyo - London - Copenhagen. A cheap London - Copenhagen flight can be purchased and you can simply not use the final London - Copenhagen portion of the award ticket. Visit www.norwegian.no/ or <http://www.easyjet.com> to book a cheap London – Copenhagen flight.

You can choose to travel overland for certain parts of your trip. So long as you remain in the same zone, you can enter by one city and leave by another. So London - Singapore // Bangkok - Hong Kong, where Singapore -Bangkok is travelled overland.

Award flights also give you fantastic flexibility in terms of your routing. If you wish to travel and see many different places then you can do so. A London - Los Angeles trip could instead become a London - New York - Miami - Las Vegas - Los Angeles trip. This gives you an excellent chance to see many different places for no additional cost. Some people take this to the extreme by maximising their routing to go as far as possible. There are some crazy trips out there so be creative with what is possible.

Comfort

Comfort is an important factor to consider. Airlines vary greatly in the comfort they afford to customers in all classes of travel. For example, Singapore Airlines have personal TVs with on-demand entertainment and 34" of legroom in economy, yet Finnair have 31" of legroom and overhead one-channel TVs in economy. Seats and service can vary even more in business and first class. Some airlines now have private cabins in first and fully flat beds in business class. Be careful because seat configurations vary from plane to plane. Singapore Airlines has some angled beds in business class and some huge 7ft beds, depending on which aircraft you are on.

With BMI, you can redeem miles for award flights on any star alliance airline so it's important to look at the product and service you receive. Airline websites aren't the best source of this information. I find reviews by other travellers give you a much more realistic indication about what to expect. The following picture is an excerpt from a review on the [airliners.net](http://www.airliners.net/aviation-forums/trip_reports) trip reports forum found here:



The mood lighting does add a nice soothing effect; however SQ was certainly having a difficulty getting it down right today. There were multiple "cycles" of light; it was as though the sun was setting and rising 5 times in 3 minutes. About 35 minutes into the flight, the first meal service began. Rather than go into detail, I will tell you it was delicious as usual, and provide some pictures.

Another good resource is <http://www.seatguru.com>. This website lets you view seat maps for different types of aircraft. You can identify which type of aircraft you are travelling on, based on the ANA tool. If you are struggling with this then <http://www.seatexpert.com> provides a much simpler interface to work with.

Non Star Alliance partners

As well as being able to earn and redeem miles on all Star Alliance flights, BMI has a number of attractive partnerships with non-Star Alliance airlines. Airline websites have a great deal of information about their FFPs, especially regarding their partners (whether this is Alliance partners or non-Alliance partners). Research is the key to finding the best combinations and opportunities for the flight you want.



BMI Baby

BMI's low-cost sister airline flies a number of UK domestic flights and a number of flights to popular European holiday destinations. Diamond club members can earn Destination Miles on all BMI Baby flights. You can also redeem your miles for free BMI Baby flights, though I would not recommend this as the cost to redeem your miles is high compared to the cost of buying a ticket.

Virgin Atlantic

BMI and Virgin Atlantic work together a lot to counteract the dominance of British Airways. By partnering together, Diamond Club members can earn miles on all Virgin Atlantic flights. This is a great if you are paying for a cheap flight to say New York from London. Virgin are among the cheapest airlines on many transatlantic routes and flying with Virgin will enable you to collect a lot of miles really quickly, given that most Virgin flights are long-haul. Diamond Club members can also spend their miles on Virgin Atlantic flights. Redemption rates are available on the BMI redemption table. It is quite expensive to redeem flights on Virgin, especially in Upper class. However, if you do get the chance I would recommend it as Virgin Upper class is one of the best luxury experiences in the air!!

Qatar Airlines and Transaero Airlines

Diamond Club members can also collect and redeem miles on Qatar Airlines and Transaero Airlines. Qatar Airlines has a worldwide network based in Doha in the Middle East. They offer many cheap economy fares from London to South East Asia and Australia. Redemption costs are very high though. Transaero Airlines are based in Moscow, Russia and offer numerous flights throughout Asia, Europe and Canada.



5.5 Step by step examples

This section will show you five examples of flights you can take and how to go about getting them.

Example 1

First class London - Istanbul

Miles only redemption + Tax

24,000 miles required

- 1) Sign up to BMI frequent flyer programme with 5,000 mile bonus link.
- 2) Sign up for BMI Amex card with 20,000 mile bonus.
- 3) Redeem for a free first class flight (You still have to pay the tax)

Example 2

Business class Copenhagen - Tokyo (Via Singapore)

Miles + Cash redemption + Tax

37,500 miles plus **£366** cash required

- 1) Sign up to BMI with 5,000 mile bonus link.
- 2) Sign up for BMI Amex card with 20,000 mile bonus.
- 3) Purchase 13,000 BMI destination miles for £156.
- 4) Redeem miles and pay £210 for free business class flight (You still have to pay the tax)

Example 3

Business class New York - Hong Kong (Via LA and/or Tokyo)

Miles + Cash redemption + Tax

30,000 miles plus **£195** one-way

- 1) Sign up to BMI frequent flyer programme with 5,000 mile bonus link.
- 2) Sign up for BMI Amex card with 20,000 mile bonus.
- 3) Purchase 5,000 BMI destination miles for £60
- 4) Redeem miles and pay £135 for a free one-way business class flight (You still have to pay the tax).
- 5) Have your spouse/friend/family member do the same, but purchase 10,000 BMI destination miles and then buy a one-way trip for the return portion of the journey in your name



Example 4

Business class London - Melbourne (via Singapore)

Miles + Cash redemption + Tax

75,000 miles + **£1,122** cash required

- 1) Sign up to BMI frequent flyer programme with 5,000 mile bonus link.
- 2) Sign up for BMI Platinum Amex card with 24,000 mile bonus for £60.
- 3) Purchase 24,000 BMI destination miles for £288
- 4) The following calendar year, purchase 22,000 BMI destination miles for £264.
- 5) Redeem miles and pay £510 for a free business class flight (You still have to pay the tax).

Example 5

Business class London - Melbourne (Via Singapore) (Economy on the return journey)

Miles + Cash redemption + Tax

37,500 miles + **£616** cash required one-way

- 1) Sign up to BMI frequent flyer programme with 5,000 mile bonus link.
- 2) Sign up for BMI Amex card with 20,000 mile bonus.
- 3) Purchase 13,000 BMI destination miles for £156
- 4) Redeem miles and pay £255 for a free one-way business class flight (You still have to pay the tax).
- 5) Purchase an economy flight to Melbourne - Kuala Lumpur - London on AirAsia.com (fares from £205 Inc tax one-way) as the return portion of your journey.



Chapter 6 – Case Study: American Airlines

6.1 Why AAdvantage is so good

The American Airlines AAdvantage FFP is the oldest and largest in the world. It began in 1981 and now has well over 50 million members. While AA doesn't boast any particularly amazing deals in terms of earning or spending miles, the fact that it is so old and so large has numerous benefits. The most important of which is the sheer number of offers, promotions and deals available which make earning miles easier. Furthermore, the sheer amount of frequent flyers means that there is a big community dedicated to sharing these offers.

Virtually everyone in the world knows about American Airlines – their brand is huge. Inside the US, they do a large amount of marketing and to compete against the other US based carriers, such as Continental, Delta and United. In the previous case study, we looked at BMI which has amazing redemption rates. AA has a few good rates, but none as good as BMI. The flip side is that there are an almost endless number of ways to earn AAdvantage miles. This is why AAdvantage is so great.

6.2 Earning miles

Credit cards

AA has a total of six credit cards with sign up bonuses and three of them have no annual fee for the first year. New cards and new offers appear fairly regularly so check out the FlyerTalk thread for the full list and for sign up links: <http://www.flyertalk.com/forum/other-credit-card-programs/966128-master-thread-faq-citibank-application-process-q-consolidated.html>. A full FAQ is also available on this thread.

If you sign up for all six cards, this gives a whopping 155,000 miles. Be sure to spread out your applications and limit them to two within each 60 day period. Failure to do so may negatively impact your credit rating. 155,000 miles for sign up bonuses alone is enough to a first class flight to almost anywhere.

Where this gets even more interesting is in that ability to churn credit cards. This is basically the process of signing up for a credit card, receiving the sign up bonus, cancelling the card then signing up again. This process used to be widespread but the AA credit cards are the only ones which are can still be churned in this manner.

Assuming you follow the 2 cards per 60 day rule, you can accumulate over 300,000 miles ever year by churning these cards. To qualify for the sign up bonus, you must spend a minimum amount on



the card. This is usually \$750 within a certain period (usually 60-90 days). If you are signing up for multiple cards then this may not be so easy. Fortunately, the US mint has the solution.

US Mint trick to generating miles

As mentioned in Chapter 4, the US mint sells dollar coins for \$1each, with free shipping on orders above \$300. Buying coins in this manner through your card is a great way to ensure you reach the minimum spend threshold in order to qualify for credit card sign up bonuses. It is also a fantastic way to generate miles outside of the credit card sign up bonus. At the moment, each order is limited to \$5,000 worth of coins per household. That doesn't stop you ordering to multiple addresses such as home, work, family and friends. Beware that the sheer weight of these coins makes transportation to deposit them at the bank somewhat of a challenge. See here for the FlyerTalk thread: <http://www.flyertalk.com/forum/milesbuzz/1008566-us-mint-dollar-coin-faq-please-read-before-posting-coin-thread.html>

Lifetime status

Interestingly, all these miles earned via Credit Cards do count towards lifetime status with AAdvantage Once you read one million miles: <http://www.flyertalk.com/forum/american-aadvantage/576276-aadvantage-million-miles-multiples-benefits-consolidated.html>

Hotel credit cards

Another credit card not often considered is the hotel card from Starwood Preferred Group. This offers 10,000 miles for signing up and for every 20,000 miles you transfer to the AAdvantage program, you receive a bonus of 5,000 miles.

Debit card

AA also had a debit card which can be a nice alternative to credit cards. The bonuses are not nearly as good as the credit cards, but it is a useful way to earn miles where credit cards are not accepted.

You can sign up here:

<http://www.aa.com/i18n/AAdvantage/partners/creditDebitCards/citiDebitCardOffer.jsp>

Surveys

Two online survey websites pay you in AAdvantage miles to take part in online surveys. If you have some free time, then these are great places to earn additional miles without going down the credit card route.

Their links are: <http://www.opinionplace.com/main.adp>

And: <http://www.igougo.com/rewards/rewardsItemDetail.aspx?ID=20>



Flying AA

If you actually fly on paid AA flights, then be sure to check for the latest promotions at MileageMaven.com: <http://www.milemaven.com/offers/program/17/>. AA regularly has double or even triple miles promotions on certain routes.

6.3 Spending miles

Award flights

When it comes to spending miles on AA, things are a little different from other airlines. They are:

- 1) Regular award flights on an AA aircraft
- 2) Discount or MilesAAver awards flights on AA aircraft
- 3) One World awards on One World flights
- 4) AA Partner awards on any of AA's partners including non-One World airlines

The cheapest award flights are the MilesAAver awards, but these come with certain restrictions around blackout periods such as major holidays. It is usually necessary to book these well in advance. A return award flight to Europe can be had for as little as 40,000 miles using this option. Business class for the same flight would only be 100,000 miles. Remember that one-way awards cost 50% of return awards and this adds increased flexibility to your routing.

A full breakdown of the AA award chart is available here:

http://www.aa.com/pubcontent/en_US/disclaimers/free-ticket-award-chart.jsp

<http://www.aa.com/i18n/disclaimers/aadvantageAllPartnerChart.jsp>

You can book AA award flights online but if you need to do anything complex, or if you need to book a flight on a partner airline then you must call AA to do this yourself. A detailed FAQ that answers most questions can be found here: http://www.aa.com/i18n/utility/FAQs/AAdvantage_FAQ.jsp

Upgrades

With AA, it is also possible to purchase upgrades using miles. If you have a full fare economy ticket then this is surprisingly cheap. From North America to Japan an economy -> business class upgrade is only 15,000 miles one-way. However, if you have a discount economy ticket then this rises to 25,000 miles plus \$350 cash. While expensive, this is still excellent value considering how easy AA miles are to acquire.

The upgrade award chart is located here: http://www.aa.com/pubcontent/en_US/disclaimers/one-way-upgrade-chart.jsp



Cheap award flights

There are a few routes which AAdvantage members can book awards flights on which are considered very cheap. Santiago, Chile to Easter Island is considered a Domestic flight within Chile and only costs 20,000 miles. This is a great opportunity to fly to one of the world's most remote islands. North America to Japan off-peak milesAAver award is only 50,000 miles return. North America to Europe return is only 40,000 miles with an off-peak milesAAver award.

6.4 Step by step examples

This section will show you five examples of flights you can take and how to go about getting them.

Example 1

First class Los Angeles – Paris return

MilesAAver award

125,000 miles required

- 1) Sign up for AAdvantage membership
- 2) Sign up for AA Citibank Visa and business Visa Credit cards (60,000 miles)
- 3) Buy 10,000 coins using US mint trick (10,000 miles)
- 4) After 60 days, cancel cards, repeat steps 2 and 3 again to gain another 70,000 miles
- 5) Redeem Miles for free first class flight to Paris (You still have to pay taxes)

Example 2

Economy class Seattle – Cancun, Mexico (Via Dallas)

MilesAAver off-peak award

25,000 miles required

- 1) Sign up for AAdvantage membership
- 2) Sign up for AA Citibank Visa card (30,000 miles)
- 3) Redeem miles for free flight to Mexico (You still have to pay taxes)

Example 3

Business class London – India (British Airways partner flight)

Partner award flight

60,000 miles required

- 1) Sign up for AAdvantage membership
- 2) Sign up for AA Citibank Visa and business Visa Credit cards (60,000 miles)
- 3) Redeem miles for free business class flight to India (You still have to pay taxes)



Resources

Mileage promotions

Keeping track of the latest promotions for earning free miles can be tricky. Aside from subscribing to the airline FFP newsletters and checking FlyerTalk.com on a regular basis, there are several sites that will help you to track the last promotions for all major airlines:

<http://www.milemaven.com>

http://www.webflyer.com/deals/bonus_promotions/index.php

Other FFP guides

There are a number of comprehensive guides to other Frequent Flyer Programs out there. Be careful though, as many are out of date and not very well researched. The following are reliable and up-to-date guides:

Air Canada

<http://www.flyertalk.com/forum/air-canada-aeroplan/797689-air-canada-aeroplan-master-faq-new-board-check-here-first.html>

American Airlines

<http://members.shaw.ca/fewmiles/AA/index2.html>

British Airways

<http://www.flyertalk.com/forum/british-airways-executive-club/721790-read-first-ultimate-ba-guide.html>

Continental

<http://www.flyertalk.com/forum/continental-onepass/626679-faq-continental-onepass-lifes-greater-mysteries.html>

Delta

<http://www.flyertalk.com/forum/delta-skymiles/368794-please-read-first-frequently-asked-questions-faqs-about-anything-do-delta.html>

United Airlines

<http://www.flyertalk.com/forum/united-mileage-plus/336354-united-airlines-faq.html>

Other frequent flyer resources

Flyertalk.com – The largest and most up to date Frequent Flyer Resource out there.

FrequentFlyer.com.au – Australian based frequent flyer resource site.

SeatGuru.com – A detailed site offer airline seat specifications, guides and ratings.

SeatExpert.com – Similar to Seat Guru but presented in a different way.

[Greatgirclemapper](http://Greatgirclemapper.com) – A great tool for calculating how many miles you will earn for a flight.



[Check my trip.com](https://www.checkmytrip.com) – A tool used to handle many airline bookings. Enter your booking ref for further trip info.

[Airliners.net trip reports](https://www.airliners.net/trip-reports) – A great tool for getting information about the product offerings of airlines.

[FlightStats.com](https://www.flightstats.com) – A great tool for checking how busy a flight is as well as historical and estimated delay info.

[Points.com](https://www.points.com) – Miles and Points resource for buying, swapping and trading miles/points.