

The complaint

Mr W complains about the non-sterling transaction fee that American Express Services Europe Limited has applied to a payment and about the way that it's dealt with his complaint.

What happened

Mr W used his American Express credit card in March 2019 to make a payment of £447.31 to an overseas holiday centre. He says that the price quoted to him was in sterling but he became aware when he received his end of year summary that American Express had added a conversion fee which wasn't highlighted at the time of the charge.

He complained to American Express about the fee and it made an unsuccessful chargeback for the payment to the holiday centre. Mr W had cancelled the direct debit so, when the chargeback was re-debited from his account and no payment was made, interest and late payment charges were applied to his account. He says that he offered to settle the outstanding balance, excluding fees, provided that American Express gave him the benefits accrued on his account as a goodwill gesture. He says that it has since credited benefits equivalent to the disputed fee to his account but he wants it to convert the benefits to pounds, remove all late payment and interest charges and he will then settle any remaining balance and close his account. He says that it should also make an ex-gratia payment for the trouble that he's been caused.

American Express said that it hadn't made an error so was unable to uphold his complaint. Mr W complained to this service but our investigator didn't recommend that his complaint should be upheld. Mr W says that the benefits have a cash value, he was denied the right to avoid the charge because he wasn't informed about it, he offered to pay in full what he believed to be the outstanding balance of his account and he's received poor service from American Express.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr W says that he agreed a price in sterling for the payment to the holiday centre and a charge of £447.31 was made to his American Express credit card account in March 2019. The account statement dated in April 2019 shows the amount of the payment in foreign currency, the applicable exchange rate and the non-sterling transaction fee of £12.99 – which was included in the £447.31. If £447.31 wasn't the amount that Mr W had agreed to pay to the holiday centre, I consider that it would be reasonable to expect that he would have noticed it when he received his credit card statement and that he would have then raised the issue with American Express.

He says that he didn't become aware of the non-sterling transaction fee until he received his annual account summary in November 2019 which showed total fees and charges of £12.99. But that wasn't an additional charge of £12.99 and had been included in the £447.31 that had been charged by the holiday centre (and which was shown on his April; 2019

statement).

Mr W was clearly upset about the non-sterling transaction fee and complained to American Express. But I'm not persuaded that there's enough evidence to show that the fee has been applied incorrectly. American Express then made a chargeback claim for the £447.31 but I don't consider that there was any reasonable prospect of that claim being successful in these circumstances.

The payment of £447.31 was credited back to Mr W's account while the chargeback claim was being made and he cancelled the direct debit that was used to make his payments to American Express. So when the chargeback was re-debited from his account Mr W didn't make the payment that was then due to this account. That led to late payment fees and interest being added to his account.

Mr W offered to pay what he believed to be the outstanding balance of his account – but not the interest or late payment fees - and he wanted American Express to credit what he said was the value of the accrued benefits to his account. I'm not persuaded that there's enough evidence to show that the interest and late payment charges have been applied incorrectly and I don't consider that American Express acted incorrectly when it declined to credit Mr W's account with an amount for the benefits.

I'm not persuaded that there's enough evidence to show that American Express has acted incorrectly in these circumstances – though I consider that it could have done more to explain to Mr W that the non-sterling transaction fee was shown on the April 2019 and was included in the payment of £447.31 that was made to the holiday centre (so wasn't a charge in addition to that amount) and I don't consider that it should have made a chargeback claim. But I don't consider that those issues justify an award of compensation to Mr W.

I find that it wouldn't be fair or reasonable in these circumstances for me to require American Express to remove the late payment charges and interest from Mr W's account, to pay him any compensation or to take any other action in response to his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 March 2021.

Jarrold Hastings

Ombudsman