

The complaint

Mr J complains American Express Services Europe Limited (AMEX) failed to return the balance of his credit card account to his nominated bank account.

What happened

Mr J says he inadvertently sent a balance transfer of £1,000 from his building society credit card account in mid-June 2022, to AMEX and on realising his mistake then requested these monies to be returned to an account of his choice, but AMEX refused saying it must be returned to the original source of origin.

Mr J says he has spent a huge amount of time trying to get the remaining balance of in excess of £840 returned to him without success. Mr J says AMEX haven't returned the remaining balance to the correct account. Mr J says he has made numerous requests asking AMEX to return the funds to his building society, and although it has told him the funds have been returned to his building society, these monies can't be traced by them.

Mr J has now closed his credit card account with AMEX but wants them to refund him with the amount it says was transferred to his building society, plus 8% interest on this sum, compensation for the upset caused of £250 in addition to the compensation already paid and the balance transfer fee of £24 refunded.

AMEX says while it upheld the complaint for misinformation given to Mr J at the time, concerning where the balance transfer refund could be paid, it has correctly returned the payment to the original source of funds in line with its process. AMEX says it has paid Mr J £30 for any inconvenience caused, but it has returned the monies to the original source and these monies have not been returned for any reason, so the fault doesn't lie with them.

Mr J wasn't happy with AMEX's response and referred the matter to this service.

The investigator looked at all the available information and partially upheld the complaint. Although the investigator felt AMEX provided poor service when it provided conflicting information to Mr J at the time, he couldn't ask AMEX to return the funds to anywhere other than the original source of funds. The investigator suggested AMEX increase the compensation from £30 to £100.

Mr J didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

What I've decided – and why

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

Having done so, I will also be partially upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been stressful and frustrating for Mr J not to be able to

understand where the refunded balance of his AMEX credit card account had been sent.

When looking at this complaint I will consider if AMEX were at fault for the return of the balance of Mr J's credit card account not being received by his building society.

Mr J's complaint centres around the fact he initially made an error in June 2022, when he requested a balance transfer from his building society credit card account to AMEX but having done so, AMEX didn't return the funds on his credit card account to his building society with the correct account details. Mr J has made the point he has been in constant dialogue by letter, telephone and webchat to get this matter resolved, but AMEX failed to recover the monies he believes was sent with incorrect details.

The first thing to say here is from the information I have seen, despite Mr J's frustration, it's AMEX's process to return any balances like this, to the original source and it's not for me to tell them it must change that process. Here though, it's fair to say AMEX were at fault when a member of staff suggested Mr J could have the return of the balance transfer he'd made, sent to a designated bank of his choice, and that would have added to the delays and confusion here.

While I can see delays have occurred from when Mr J first raised the issue in mid-June 2022, some of those delays were as a result of AMEX requesting further information from Mr J which was finally received by them in mid-July 2022. It's also fair to say the initial information AMEX asked for was reasonable and in line with its process, but when it was sent that information on 11 July 2022, I take the view it was slow to identify those documents at that time. It wasn't until Mr J contacted AMEX a week or so later that these documents could be identified- I can't say that period of delay can be considered Mr J's doing here.

It's also clear that while this matter was being investigated by AMEX, Mr J lost his building society credit card, being the original source of funds, and this was replaced with a new credit card and it's reasonable to think this may have complicated matters further.

Mr J's main issue however, started on the 29 July 2022 when AMEX says it processed the credit balance refund of £843.18 to Mr J's building society, the original source of origin. AMEX have maintained throughout it correctly returned the payment to the source of funds to Mr J's building society account and we have been provided with documents from AMEX to evidence this. I have been provided with a screen shot dated 29 July 2022, that shows the payment was sent to Mr J's building society, quoting the sort code and his original credit card account number.

So, with that in mind I can't support Mr J's view that AMEX haven't sent the payment, as the evidence I have seen all points to the fact it did, and it is understandable it would send this to the original source from where it was sent. I am satisfied that on balance AMEX have returned the funds to Mr J's building society account and for whatever reason his building society are unable to trace it, but I can't hold AMEX responsible for that.

To aid matters AMEX have additionally provided details to this service of the payment transaction status reference number, and I will ask the investigator to have these details sent to Mr J which may help his building society identify the whereabouts of payment.

So, although AMEX didn't provide the level of service perhaps it could have during its investigation, I am satisfied it isn't responsible for the reason why Mr J's building society can't locate the payment – that is something he will need to take up with them.

Like the investigator I agree a fairer level of redress for the misleading information provided by AMEX should be increased to £100 here. While Mr J will be disappointed with my

decision, I won't be asking anymore of AMEX than that.

Putting things right

I instruct American Express Services Europe Limited to pay Mr J a total of £100 for the trouble and upset caused.

My final decision

My final decision is that I partially uphold this complaint.

I instruct American Express Services Europe Limited to pay Mr J a total of £100 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 30 March 2023.

Barry White
Ombudsman