

The complaint

Mr K complains that American Express Services Europe Limited (AESEL) delayed the refund of an overpayment he'd made to his credit card account.

What happened

I issued my provisional decision on this complaint recently. An extract from that provisional decision is set out below.

What I've provisionally 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.

I know it will disappoint AESEL, but I think there were unnecessary delays returning Mr K's overpayment to him. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When Mr K overpaid on his credit card account in October 2022 AESEL explained they would need details of the account the money was paid from so they could return the money there. I don't think that was unreasonable as AESEL have explained that's now their process to ensure the payee receives the money.

I can see that AESEL wrote to Mr K in late October 2022 to explain that. In the letter they explained that it would take up to ten days to refund the money when they had received the information.

In AESEL's final response to Mr K on 6 January 2023 they agreed, as a one off exception, to send him a cheque for the overpayment. I think that was a fair response in the circumstances. AESEL have subsequently explained to this Service that was a mistaken offer and I can therefore understand Mr K's frustration. I think he could have expected the payment to be made within 10 days of receiving that letter.

But Mr K and AESEL have explained the payment wasn't made until July 2023 and I think Mr K has therefore been kept waiting too long.

AESEL should have made the payment ten days after their final response and Mr K has therefore, been deprived of that money. AESEL should therefore pay him 8% interest on that refund calculated from 16 January 2023 until the date the payment reached Mr K's account (4 July 2023).

I think Mr K has experienced distress and inconvenience as a result of AESEL's actions as he's explained he's had difficulty making payments towards his other bills while he's been without that cash, and he's also had to make further submissions to this Service when his money wasn't returned. In the circumstances I think AESEL should pay him £50 in compensation.

Mr K chose to close his AESEL account and as a result he appears to have lost out on some cash back that would otherwise have been payable. I don't think it would be fair to ask AESEL to refund that as it was Mr K's decision to close his account, and I don't think that was necessary in order to settle his complaint.

My provisional decision

For the reasons I've given above I'm expecting to uphold this complaint and tell American Express Services Europe Limited to:

- *Pay Mr K 8% simple interest per year on the refund from 16 January 2023 to 4 July 2023.*
- *Pay Mr K £50 to compensate him for the distress and inconvenience their actions have caused.*

Further comments

AESEL and Mr K accepted my provisional 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.

I've not therefore found reason to change my provisional decision.

Putting things right

My provisional decision now becomes my final decision on this complaint.

My final decision

For the reasons I've given above I uphold this complaint and tell American Express Services Europe Limited to:

- Pay Mr K 8% simple interest per year on the refund from 16 January 2023 to 4 July 2023.
- Pay Mr K £50 to compensate him for the distress and inconvenience their actions have caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 August 2023.

Phillip McMahon
Ombudsman