

The complaint

Ms F complains about the way in which American Express Services Europe Limited handled her disputed transaction claim.

What happened

Ms F had to arrange for a plumber to attend her property to fix a leak. She provided her AESEL card details to the plumber at the start of the work but wasn't given the opportunity to check and agree the invoices before payments were taken.

Ms F tried to dispute the invoices with the plumber but couldn't resolve things. She contacted AESEL on 12 February 2023 to raise a disputed transaction claim. Ms F provided AESEL with a timeline of events and details of what work had been carried out. She said she wanted to dispute the invoices because she'd been overcharged for parts and materials, overcharged for labour (because of exaggeration in the number of hours worked) and because she'd had to engage another plumber to repair the heating system after the first plumber refused to deal with the air left in the system.

AESEL considered the disputed transaction claim under the chargeback provisions. Because Ms F had been charged under five invoices, AESEL set up five separate disputes. It credited the following amounts:

D-40953647 £250 on 21 February 2023

D-41678660 £840 on 21 February 2023

D-40953770 £250 on 21 February 2023

D-40953843 £264 on 10 March 2023 (Ms F was later charged for £120 leaving an effective credit of £144 on 19 April 2023)

D-40953859 £120 on 16 March 2023

Ms F contacted AESEL on 3 March 2023 asking to update the disputed amounts. In later telephone conversations with AESEL on 17 April 2023 and 1 May 2023 she was advised that her letter dated 3 March 2023 regarding the changes to the disputed amounts hadn't been received.

Ms F complained to AESEL. In its final response, AESEL apologised for the incorrect information given to Ms F in the calls dated 17 April and 1 May. It said the letter dated 3 March had been received on 10 March and the disputed amounts were updated on 13 March. AESEL offered compensation of £50 for the incorrect information.

AESEL said that Ms F had been provided with credit for the disputed transactions as per her original request. It said the amendments she'd asked AESEL to make in the letter dated 3 March couldn't be actioned by the disputes team because there was no certain information for the exact amount that should be refunded.

Ms F wasn't happy with the response and brought her complaint to this service. She said the total of the transactions she was disputing was £1954.66 and she wanted AESEL to pay the difference between this and the amount she'd been refunded.

Our investigator didn't uphold the complaint. She said she was satisfied that AESEL had applied the refunds on a good faith attempt and that it didn't have to provide a further refund.

Ms F didn't agree. She said she was never told by AESEL that the disputed claims were being dealt with under chargeback. She says the amount refunded to her needed to be checked. She said the issue of compensation for the distress and inconvenience caused to her at having to deal with this case hadn't been addressed and that the £50 compensation paid by AESEL wasn't enough.

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.

Ms F has said that she wasn't told whether the transactions she'd disputed were being dealt with under chargeback or Section 75. She's also said that this doesn't matter to her as all she's concerned about is receiving the correct refund for the amount she was overcharged on the five invoices.

This service would generally expect a provider of credit to attempt a chargeback before looking at whether a claim under section 75 would be appropriate. Under section 75, Ms F would have needed to provide evidence to show that there had been a breach of contract or a misrepresentation.

Based on what I've seen, I don't think it was unreasonable for AESEL to handle the disputed transactions under the chargeback provisions.

Chargebacks are a voluntary scheme. How it works is that the card issuer (AESEL) checks the complaint against the possible chargeback reasons to see what evidence is required so it can decide whether or not it can make a successful claim for the customer. Card issuers don't have to submit claims and will only do so if they believe they have evidence which will back up a claim so that it will be successful. This service expects card issuers to help if they can, but we don't expect them to raise a chargeback if there is little prospect of success.

I can see that AESEL raised a chargeback using the code "incorrect transaction amount". In order for the chargeback to succeed under this code, Ms F would need to provide evidence to show that the merchant had overcharged her for the goods and services.

I've looked at Ms F's disputed transaction claim and the evidence she supplied to see whether AESEL handled the chargeback claim fairly. I've considered the evidence provided by Ms F to support the claim. AESEL issued refunds based on Ms F's initial claim. I appreciate that Ms F later amended these amounts. Based on what I've seen, I'm satisfied that AESEL handled the claim fairly. I say this because AESEL applied credits to Ms F's account on a good faith attempt in circumstances where it couldn't be shown what amount had initially been agreed with the merchant in respect of each of the five invoices.

I appreciate that Ms F sent amended claims to AESEL but was told that her letter hadn't been received. AESEL has acknowledged that this was incorrect information and has confirmed that Ms F's letter was received and logged. It also explained (in its final response) that it couldn't action the amended amounts because of the uncertainty about the exact amount which should be refunded.

Taking the circumstances of this complaint into account, I'm unable to say that AESEL has acted unfairly or unreasonably. I won't be asking it to do anything further.

Ms F has said that she doesn't think the compensation she's received from AESEL is sufficient. I can see that AESEL paid compensation of £50 for the incorrect advice it gave Ms F about not having received her letter. I think this amount was fair. I appreciate that Ms F has spent a lot of time trying to resolve this matter and I have no doubt that it has been frustrating at times. However, as I've said, I don't think AESEL has acted unfairly or unreasonably here, so there's no grounds to ask it to pay further compensation.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 1 April 2024.

Emma Davy
Ombudsman