

The complaint

Mr P has complained about how American Express Services Europe Limited (AESEL) responded to a claim for money back in relation to a purchase he'd made on his credit card.

What happened

The circumstances of the complaint are well known, and the parties are in broad agreement with a large aspects of it so I'm not going to go over everything again in detail. But in summary Mr P says he made a purchase using his AESEL credit card in March 2023. I understand he bought two items totalling £289 – one for £199 and one for £90. Mr P says he submitted a claim to AESEL because the goods weren't delivered to the correct address. He'd already tried to sort things out with the merchant, but it didn't resolve things for him.

AESEL raised a chargeback, but the merchant defended it on the basis it had proof of delivery. AESEL closed the dispute and Mr P complained. AESEL sent a final response letter on 30 May 2023 and said as the merchant had supplied proof of delivery, Mr P would need to supply evidence it had agreed to refund him in order for it to pursue things further. The final response letter also referred to other issues it said Mr P had raised. AESEL apologised for not raising complaints for Mr P; for not calling him back when promised; and for leaving him on hold for long periods. It upheld that part of the complaint and applied a £75 credit to his account.

Mr P decided to refer his complaint to our service. To resolve it he asked for a refund of the £289 along with £350 compensation. He said he'd spent a long time trying to resolve things, and he thought he'd supplied enough evidence to support his claim. He also said the matter was affecting his health.

Our investigator looked into things and thought AESEL could have pursued the chargeback further. She thought it had a reasonable prospect of success based on Mr P's evidence. She recommended it refund Mr P £289 with interest. Mr P was happy with the outcome but wasn't satisfied with the compensation. He also mentioned AESEL had decided to end its relationship with him. Our investigator reviewed phone calls and decided to recommend AESEL pay Mr P a further £80 compensation because she thought it could have handled the claim better. She said if Mr P was unhappy with AESEL's decision to end the relationship he'd have to take it up with AESEL in the first instance.

Mr P didn't agree. In summary, he reiterated he'd spent a long time trying to sort things out, and the matter had exacerbated health conditions. He didn't think £80 was sufficient and requested £500.

As things weren't resolved, the complaint has been passed to me to decide.

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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr P and AESEL that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to say I'm very sorry to hear that the situation has impacted Mr P's health.

I note Mr P has said he's unhappy AESEL has decided to end its relationship with him. But this wasn't part of the complaint that AESEL has had the chance to consider, or part of the original referral to the Financial Ombudsman. So I'm not going to be dealing with that as part of this complaint. I've reviewed the complaint relating to the final response letter AESEL sent Mr P in May 2023. The complaint Mr P referred to the Financial Ombudsman primarily related to how it dealt with the claim for money back.

AESEL has now agreed to reimburse Mr P the £289 with interest. I think this fairly resolves that part of the complaint. Given Mr P's evidence indicated he didn't receive the items, I agree that seems like broadly a fair way to put things right because if AESEL pursued the chargeback further it may have had a reasonable prospect of success.

The thing left in dispute is whether AESEL needs to pay more than the £80 it's agreed to for the way it handled the claim. It also paid Mr P £75 in relation to other problems I've set out above. Those other problems didn't form part of the main thrust of Mr P's complaint, but I think it makes sense to consider things holistically. The £75 compensation broadly seems like a fair way to resolve part of the overall complaint. However, like our investigator, I agree the claim could have been handled better. While there's no exact science for this, in all the circumstances, I consider a further £80 to be fair in the round. AESEL fairly raised the chargeback for Mr P, although I agree its reasoning for not pursuing it further didn't seem right.

I've listened to the calls Mr P specifically highlighted. I appreciate he's mentioned he made other calls, but I think I've seen enough to get a good understanding of what happened and be able to decide the complaint. I can see Mr P was unhappy the dispute wasn't reopened off the back of evidence he submitted. He was unhappy AESEL was declining the claim due to the merchant's rebuttal, given that the evidence relied on had already been supplied. And AESEL's agents agreed with Mr P. This led to Mr P making several calls to AESEL and requesting to raise further complaints during the process. I can understand he must have been frustrated things weren't progressing and he was having to repeat himself and chase things up. Mr P said it had impacted his health. AESEL did, however, issue a final response within two months of the transaction, so it's not caused significant delays. But the claim could have been handled more efficiently.

As I've said, I'm required to resolve matters quickly and with minimum formality, and I find the further £80 recommended by our investigator to be fair. I'm not going to direct AESEL to take any further action in relation to this complaint.

Putting things right

I understand AESEL has already paid Mr P £75 but if that's not right it should make that payment. AESEL should also:

- Refund Mr P £289.
- Interest should be added to the above amount, at a rate of 8% a year simple, from the date the claim was declined to the date of settlement.
- Pay Mr P £80 compensation.

If AESEL considers it is required to deduct tax from my interest award it should provide Mr P a certificate of tax deduction so he may claim a refund from HMRC, if appropriate.

My final decision

My final decision is that I uphold this complaint and direct American Express Services Europe Limited to put things right in the way I've set out above:

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 February 2024.

Simon Wingfield
Ombudsman