

## The complaint

Mr P complains American Express Services Europe Limited (AmEx) took a payment for his credit card when he'd already repaid the balance. He was also unhappy with the service when he tried to get the money back.

## What happened

On 24 September 2023 Mr P's statement was produced, and this said his outstanding balance of £14,842.16 would be claimed by direct debit on 2 October 2023.

There is a standard note on the statement, which says:

*The payment specified above will be debited from your bank on the direct debit date shown or shortly after. Please note, this amount may be adjusted in response to payments or credits received up to four days before your Direct Debit Due date.*

On 29 September 2023, following further spending, Mr P paid £16,094.55 manually towards the account through AmEx's app. The direct debit was then taken out on 2 October 2023.

Mr P wasn't expecting the direct debit to be taken, so on 4 October 2023 he contacted AmEx. He says initially he tried to call, but couldn't get through, so contacted AmEx's live chat, asking them to refund the amount that day. AmEx said they couldn't, and it'd be refunded within ten working days. After Mr P expressed unhappiness with this, AmEx suggested he raise a direct debit indemnity (DDI) claim with his bank and the payment will be refunded within two working days. Mr P said he'd do that, but he also wanted a complaint raised.

AmEx replied to Mr P's complaint, saying he'd made a manual payment within four days so this didn't give enough time for the direct debit to adjust. As such, AmEx said they'd not done anything wrong.

Unhappy with this, Mr P asked us to look into things. One of our Investigators did so, and found AmEx hadn't done anything wrong.

Mr P didn't accept this, he said:

- Given the size and resources of AmEx it's reasonable for them to be able to refund a payment the same day, rather than a ten-day service level
- If a DDI can be done in a few days, why can't AmEx do a process which means he doesn't need to contact his bank
- He was put to additional time and expense making the DDI which he's not been reimbursed for
- The payment was made on 29 September, which he counts as the first day, so he was within the four days
- He doesn't think the online chat information was clear
- AmEx didn't give clear enough details about the DDI claim

As Mr P didn't agree, the complaint's been passed to me to decide. I've noted Mr P asked for an extension on 31 January 2024 and was given until 9 February 2024. As at the date of this decision, nothing further has been received, so I'm satisfied it's appropriate to go ahead with my outcome.

### **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.

A number of points Mr P has made in response to our Investigators outcome are ones I need to consider – if I think AmEx did something wrong. So, the key question becomes, do I think AmEx did anything wrong.

This complaint has arisen because AmEx say Mr P made a payment within four days of the due date of the direct debit. Mr P says he didn't – so I've had a look to decide this first.

On the statement, the date the direct debit is due is clear. And there is wording very close to this to say any credits received up to four days before the direct debit due date may mean the direct debit amount is adjusted.

Mr P made the payment on 29 September 2023. He counts this as day 'one' – but I disagree. I think the following stands true:

- 30 September 2023 – one day after payment
- 1 October 2023 – two days after payment
- 2 October 2023 – three days after payment

So, I'm satisfied AmEx didn't need to amend the direct debit amount and made no error in claiming the full amount of £14,842.16 on 2 October 2023.

Following this, on 4 October 2023, Mr P asked AmEx to refund the money to him the same day. I agree with him AmEx undoubtedly can make payments the same day – if they're required to. In these circumstances I don't think AmEx did anything wrong, so I can't see that they should have been required to step outside of their process to refund the money sooner. Particularly given they offered Mr P a suitable alternative.

Instead, I've found they gave him helpful advice, which was to contact his bank to raise a DDI claim. I appreciate Mr P says AmEx didn't give details of the process, but I do think they told Mr P enough about it for him to understand what to expect – primarily, if he contacts his bank, they'll raise a DDI claim, and the money will be refunded to him within two working days. It seems this is what Mr P did, as the money was then returned to his account that way.

And while I've noted Mr P's comments about why AmEx can't refund the money within a few days when his bank can – the Direct Debit Guarantee is what Mr P was claiming his money under, which is a claim you make to your bank, not your credit card provider. So, the mechanism for a refund of monies paid through your credit card provider is a refund only. And Mr P made it clear he didn't want to wait for AmEx to do this.

Overall, although I understand Mr P's frustrations, I've not found AmEx made any mistakes, so I won't be telling them to make any payments to Mr P for the inconvenience of having to contact his bank.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 May 2024.

Jon Pearce  
**Ombudsman**