

## **The complaint**

Mr E is unhappy with how American Express Services Europe Limited (AESEL) handled a chargeback request for a transaction made on his credit card account. Mr E also complained that refunds due haven't been applied to his account.

## **What happened**

Mr E made a purchase in August 2022 for £35 from a company I shall call 'W'. Following this, Mr E contacted AESEL to request a chargeback be raised. He explained the goods he had received were damaged or defective. The same day as logging the chargeback request, Mr E provided supporting evidence.

This was received by AESEL, but shortly after it sent an email requesting Mr E provide supporting documents. AESEL says that as it didn't receive a response, the chargeback was closed in W's favour. On 6 September 2022, AESEL says an email was sent to Mr E saying the requested documents were not received and so the £35 charge had been reapplied to his account.

Unhappy with this, Mr E raised a complaint. He said he had already provided the requested supporting evidence and so wanted the dispute processed or for AESEL to explain why it refused to do so. Subsequently Mr E also added to his complaint that refunds on his August and November 2022 statements appear to not have been applied. He said the refunds appear after the payable balance had been calculated.

AESEL issued its final response and explained that it would apply a credit for the disputed £35 following the way the chargeback had been handled. It also advised it would pay a further £25 in recognition of the frustration and inconvenience caused. Regarding the missing credits Mr E had raised on his August and November 2022 statements, AESEL explained these had been credited and provided a breakdown of the statements balances to show this.

Mr E referred his complaint to our service and added the same issue had occurred for a refund on his December 2022 statement as well. One of our investigators considered the complaint and concluded that in refunding the £35 and paying an additional £25 for any trouble Mr E had faced, AESEL didn't need to do anything further. The investigator also confirmed they were satisfied the refunds Mr E disputed receiving, had been credited to his account.

Mr E didn't agree and provided statements for the months where he believed the refunds were not reflected in his balance. He again said this was because the refunds all appear after the payable balance for that month had been calculated.

As Mr E didn't agree, the complaint has now 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.

AESEL have confirmed that the reason the chargeback was closed in error is likely because its systems would've checked for documents uploaded after its request for further

information and found there weren't any. But this was because Mr E had already uploaded his evidence before AESEL's request for supporting documents to be provided.

I don't know what might have happened had the chargeback been pursued. Its possible W may've provided supporting evidence to defend its position. But given what happened with the chargeback and it being closed in error, I'm satisfied AESEL acted fairly in refunding Mr E the full amount of £35.

It also paid an additional £25 for the inconvenience caused. I appreciate it would've been distressing to find the chargeback had been closed and the refund removed due to not providing information that had already been supplied. Additional inconvenience was then caused as Mr E had to raise the issue with AESEL again. Given this and taking the amount of the actual transaction into account, I'm satisfied the award of £25 fair and reasonable in the circumstances.

Mr E has raised concerns that refunds haven't been applied to his account. He raised concerns with AESEL regarding £10 in August 2022 and £7.80 in November 2022. He then explained to our service that £12 in December 2022 also hadn't been credited. He says these haven't been applied as the refunds appear after the payable balance has been calculated.

Having looked at Mr E's statements for all three months in question, I don't agree with Mr E. I'm satisfied the refunds have been applied. I can see that AESEL provided a breakdown in its final response to show Mr E's balances being reduced by the refunds and I agree with what its calculations show.

Using the November 2022 statement Mr E provided as an example, it shows the previous balance was £123.25 in credit. For the period that statement covered, Mr E spend a total of £266.90. He also received a £3 refund from a store. Therefore, the statement balance owed should be £140.65 (£266.90 spend, minus the credit balance of £123.25 and £3 store refund). However, the balance given that Mr E needed to repay for November 2022 was £132.85. This show the refund of £7.80 was applied as the outstanding balance reduces from £140.65 to £132.85, which is a £7.80 reduction.

The following statement from December 2022 shows that it was £132.85 Mr E paid and that figure is also noted as the previous balance. So, while I acknowledge Mr E has said that as the refunds appear after the payable balance had been calculated and therefore haven't been applied. Given the evidence available I don't believe this is the case and I can't say that AESEL has made errors in applying the refunds in question.

### **My final decision**

For the reasons I've explained, I don't require American Express Services Europe Limited (AESEL) to do any more than it already has.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 March 2024.

Paul Blower  
**Ombudsman**