

The complaint

Mr S complains that American Express Services Europe Limited (Amex) hasn't treated him fairly when he raised a dispute about a payment.

What happened

Mr S noticed a transaction on his statement that he did not recognise. He contacted Amex to query the transaction and a chargeback was raised. He's unhappy that Amex prematurely closed the dispute and failed to reverse the charge. Amex said the case was not closed and it hadn't done anything wrong, so Mr S brought his complaint to our service. Our investigator recommended Amex pay Mr S £50 for the distress and inconvenience caused to Mr S when handling his chargeback dispute. Amex said it does not agree as the chargeback was closed in Mr S's favour, so the desired outcome was reached within an expected timeframe. As Amex didn't agree with our investigator, 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.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. It can often (though not always) provide a mechanism by which a card issuer can assist a cardholder with a dispute they're having with a merchant. Where considering how it might assist, a card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer.

On 29 January 2024, Mr S contacted Amex to log a dispute as he didn't recognise a £69.99 transaction on his statement. Amex raised a chargeback, reversed the charge pending the chargeback investigation and contacted the merchant for information about the charge.

On 1 February 2024, Amex sent Mr S correspondence received from the merchant, re-applied the charge to the account and closed the chargeback dispute. On 18 February, Mr S had a lengthy conversation with Amex via online chat in which he asked why the chargeback was closed and raised a complaint about the same. Amex re-opened the chargeback following this contact from Mr S.

Having looked at the relevant document which prompted closure of the dispute, I find that AMEX did not respond appropriately to the information received from the merchant. As Mr S's concern was that he didn't recognise the transaction, I'd have expected Amex to check whether the information received from the merchant was enough to assist Mr S with his query. Instead, it simply passed on the information and closed the dispute. The document itself provided no information about what the charge was for, and considering this was Mr S's primary concern when raising the dispute, I think Amex should have looked at the information more closely before taking the action it did.

Following this, Mr S received contact from Amex on 14 March 2024 to let him know it was

not clear why, but a second chargeback had been raised for the same dispute. Amex confirmed it would be closing down the first dispute and continuing with the second one. Amex accepts that its correspondence with Mr S might've been confusing, but I find that it didn't take into account the distress and inconvenience its actions caused to him. I appreciate the chargeback was ultimately resolved in Mr S's favour as the merchant didn't respond. But that doesn't address Amex's own shortcomings in its handling of the claim.

So, for the reasons I've set out above, I find that Amex didn't handle Mr S's chargeback request fairly. This failure has inconvenienced Mr S and an award should be made for this. I find that £50 is a fair amount to award in these circumstances.

Lastly, Mr S continues to be unsure about what the transaction was for. The merchant in question appears to be an online travel company and the document supplied by the merchant indicates this is a recurring charge. In these circumstances Mr S might review whether he has at some point signed up to a membership with a company of this nature – either inadvertently or since forgotten – as if so, it is quite possible the charge could re-occur without appropriate cancellation.

My final decision

For the reasons given, I uphold this complaint and direct American Express Services Europe Limited to pay Mr S £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 December 2024.

Vanisha Patel
Ombudsman