

The complaint

Mr M complains about the way funds have been applied to his account by American Express Services Europe Limited (AESEL) (Amex) following a merchant dispute.

What happened

Mr M's provided evidence that a merchant I'll refer to as T gave him two credit vouchers of £200 each in 2023. In March 2024 Mr M raised a dispute with his credit card provider, Amex, regarding a payment of £232 he had made to T. On 26 March 2024, Amex raised the dispute and temporarily suspended the payment of £232.

On 5 April 2024, T made two payments of £200 into Mr M's account with Amex. The dispute over the £232 payment Mr M made to T was declined and on 3 August 2024 the payment was reversed and debited from Mr M's balance.

Mr M went on to raise a complaint with Amex and said the way payments had been applied to his account meant he was liable for an extra £200. Amex issued a final response on 24 July 2024 but didn't uphold Mr M's complaint. Amex said all three payments Mr M had raised related to the dispute with T. Amex said the £232 payment that had been suspended was debited again after the dispute was resolved in T's favour. That meant Mr M was liable for the £232 disputed payment. But Amex said the two £200 payments it had received on 5 April 2024 were separate to the £232 Mr M had disputed.

An investigator at this service looked at Mr M's complaint. They thought Amex had explained what happened in its final response and didn't find any evidence that Mr M had been overcharged. The investigator didn't uphold Mr M's complaint. Mr M asked to appeal and said he'd provided evidence the two £200 payments related to credit vouchers he'd been given by T in 2023. Mr M said Amex had closed his payment dispute on the incorrect basis. As Mr M asked to appeal, his complaint has been passed to me to make a decision.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

As there are three payments in question in this case, I'm going to start by looking at the £232 disputed payment. The payment was suspended on 26 March 2024 after Mr M raised the dispute. From that point, Amex contacted T and ran through its dispute process. Mr M's confirmed he understands the dispute was ultimately found in T's favour. And I can see that

on 3 August 2024, the £232 was debited from Mr M's Amex account again. So, Mr M's account was put back into the correct position in terms of the £232 payment dispute he raised after it was declined.

Amex also received two payments of £200 on 5 April 2024 from T. Amex's letter to Mr M dated 5 August 2024 said T had already provided him with compensation on 5 April 2024. But Mr M's told us the payments related to credit notes he'd been given by T in 2023. My first priority is whether Amex has made a mistake or done something that caused Mr M a financial loss. Here, two payments of £200 were paid by T on 5 April 2024 and credited to Mr M's account with Amex. The payments haven't subsequently been removed or reversed. I'm satisfied T paid a total of £400 into Mr M's Amex account on 5 April 2024 and I haven't seen any evidence they were later refunded. I'm satisfied I haven't seen evidence that shows Mr M suffered any financial loss as a result of Amex's actions.

Mr M's response to the investigator said Amex's claim the payments of £200 on 5 April 2024 related to his ongoing dispute was wrong. Mr M said the payments related to credit vouchers issued by T in 2023. I accept it's possible that the timing of these payments may've caused Amex to take the view they related to Mr M's existing dispute. And I understand Mr M's view is that the payments related to something else. But Amex isn't the best party to clear up why T sent Mr M two payments of £200 on 5 April 2024. If Mr M wants more clarity on why T made those payments and isn't satisfied with the response provided by Amex, he has the option of contacting the merchant directly. T is ultimately best placed to explain why two payments of £200 were made to Mr M's Amex account on 5 April 2024.

I'm sorry to disappoint Mr M but as I haven't seen any evidence of a financial loss and I'm satisfied Amex dealt with his dispute fairly I'm not telling it to take further action to resolve his complaint.

My final decision

My decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 November 2024.

Marco Manente
Ombudsman