

The complaint

Mr H is complaining about American Express Services Europe Limited (AESEL) because of his dissatisfaction with its response after he made a payment in error and the time it took to resolve this.

What happened

Mr H has a credit card account with AESEL. On 19 May 2024, he tried to make an online payment of £4,624.96. He says he received a message saying the payment hadn't been successful, so he tried again using a different method of payment. As it turned out, the first payment was successful and he actually paid twice.

Mr H raised this with AESEL and it says the second payment was returned on 14 June. But he's provided a copy bank statement showing this didn't actually reach his account until 10 July. He also says he spent considerable time calling and corresponding with AESEL and his bank before the money was returned.

In response to Mr H's complaint, AESEL said it couldn't find evidence of an IT issue that would have led to him receiving a message saying the first payment had failed. But it did apply £50 to his account as a gesture of goodwill.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I believed it should be upheld. My reasons were as follows:

According to Mr H's account, he paid twice because he received a message saying the first payment wasn't successful. While AESEL said it didn't find evidence of this, it hasn't provided evidence to show Mr H received anything to indicate the payment had been successful either.

On balance, I find Mr H's account plausible and I think it's unlikely he'd have made a second payment for exactly the same amount unless he had reason to believe the first hadn't gone through. So I do think it's most likely that this episode began with an error from AESEL. But for that error, I'm satisfied the second payment wouldn't have been made and I think Mr H should be appropriately compensated for not having use of his money until it became available to him again on 10 July.

I appreciate Mr H has some concerns about AESEL's process, including requesting a bank statement it ultimately didn't need, that he believes delayed his money being returned. And I understand AESEL may also have some thoughts about why it took until 10 July for the money to become available to him when it says it completed the necessary arrangements for it to be returned earlier than this. But I don't propose to consider those issues here on the basis that I believe this situation started with an AESEL error and, had that error not been made, Mr H wouldn't have been without his money at all. So I think it's fair to require AESEL to compensate for the whole period.

I can also see that Mr H has spent a substantial amount of time trying to resolve this situation and was put to considerable inconvenience. And as he's explained, I also appreciate this must have been a very stressful experience, particularly in view of the large amount of money involved. In addition to the various calls and correspondence with AESEL, he also had to correspond with his own bank before the money was made available to him again. We don't typically make awards for the time spent in trying to resolve an issue like this, but I absolutely agree Mr H should be compensated for the distress and inconvenience suffered as a result of AESEL's error.

The amount to award for a consumer's distress and inconvenience can be difficult to assess as the same set of circumstances can impact different people in different ways. But in the circumstances of this case, I think further compensation of £250 is appropriate. This is in addition to the amount of £50 already paid and interest to compensate him for not having use of his money.

It's for these reasons that I'm currently proposing to uphold Mr H's complaint. I realise the compensation proposed isn't at the level Mr H has said he's seeking, but I'm satisfied it's fair and reasonable in the circumstances.

The responses to my provisional decision

Both parties accepted my provisional decision without further comment.

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.

As neither party has made any further submissions in response to my provisional decision, my findings haven't changed from those I set out previously.

Putting things right

The principal aim of any award I make is to return Mr H to the position he'd be in but for AESEL's errors. If he hadn't received a message saying the first payment hadn't been successful, I think it's clear the second payment would have been made.

To put things right, AESEL should pay simple interest at 8% per year on the amount of £4,624.96 from the date Mr H paid it (19 May) to the date he was able to access it again (10 July). This is the rate of interest we often apply when a consumer has been deprived of access to their money and I think it's fair approach in this case.

In addition, and for the reasons explained above, AESEL should pay Mr H a further £250 for the unnecessary distress and inconvenience he experienced. This is on top of the £50 already paid.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I uphold this complaint. Subject to his acceptance, American Express Services Europe Limited (AESEL) should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 25 November 2024.

James Biles
Ombudsman