

The complaint

Mr S is upset that American Express Services Europe Limited (who I'll call AMEX) asked him to validate a bank account before they would transfer a refund to it. He's also upset that they sent him cheques instead of transferring refunds electronically.

What happened

Mr S contacted AMEX in April 2024 to transfer a refund from his credit card account to another account that he used to make his direct debit payments.

AMEX asked for bank statements from that account so they could validate it. Mr S thought that was unreasonable.

In May 2024 AMEX sent Mr S two more refunds. They sent them by cheque, but Mr S was upset about that. He explained that they knew he was severely disabled and that he would find it difficult to visit a bank and cash them.

Mr S referred his complaint to us. Our investigator thought AMEX had been fair to validate the account, but he didn't think they'd done enough to help Mr S with his disability and to make it easy for him to access his funds. He suggested AMEX should pay him £200 in compensation and that they should stop the uncashed cheques they'd sent to Mr S and pay that money by electronic transfer into a nominated bank account.

Mr S didn't think it was sufficient. He said £500 would be more reasonable and he asked for a decision by an ombudsman.

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 upholding this complaint, but I don't think it would be fair to ask AMEX to pay Mr S anymore than £200 in compensation. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I note that Mr S has asked for this case to be considered by a particular ombudsman. It would be very unusual for us to approve such a request and I see no compelling reason to do that here. But I'd like to reassure Mr S of my independence. I've also found no reason to call Mr S about his complaint. I'm persuaded there is sufficient information on file for me to make a fair decision on it.

I don't think AMEX were unreasonable to ask for details to validate the account they had been asked to send money to. They were trying to meet obligations placed on them by their regulator and hadn't been able to do that electronically.

But I don't think AMEX were reasonable to send cheques to Mr S. They were aware of his vulnerability and had been for some time. When we had considered a previous complaint for Mr S against AMEX in February 2024, we had explained the difficulties Mr S had paying cheques in, and compensation had been paid by AMEX through bank transfer.

I've not been provided with information to explain why AMEX later chose to send refunds via cheque to Mr S. That must have been distressing for him especially as he'd been complaining to them about not making bank transfers only a month earlier.

AMEX need to treat customers fairly and the Consumer Duty has reinforced that need. I think they should pay Mr S £200 in compensation, but I don't think I have sufficient information to suggest more compensation should be paid.

AMEX should also cancel any uncashed cheques they've sent to Mr S and they should contact him to make those payments by bank transfer instead. I note that our investigator has asked them to pay those refunds to Mr S's Chase account. I can see that Mr S has referred a complaint to us about a closed Chase account and in case that is the same account I think it best if AMEX contacts him directly to make sure the funds are transferred to the correct bank account. AMEX will need to add interest to those refunds as Mr S has been deprived of the money.

My final decision

For the reasons I've given above, I uphold this complaint and tell American Express Services Europe Limited to:

- Pay Mr S £200 to compensate him for the distress and inconvenience they've caused.
- Cancel any uncashed cheques they've sent to Mr S and call him to arrange for those refunds to be paid by bank transfer to an account of his choosing. Add 8% simple interest per year to those refunds from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 January 2025.

Phillip McMahon
Ombudsman