

The complaint

Miss M is unhappy with the time it has taken American Express Services Europe Limited (AESEL) to provide her with a Credit Balance Refund (CBR).

What happened

In February 2024 Miss M bought a bed frame for £815.04 using a credit card supplied by AESEL. The frame was damaged, so she returned it. The money was refunded to the AESEL credit card account she made the payment through.

In May 2024 Miss M asked AESEL to provide a CBR. They advised her that could take up to 10 days but when that time elapsed and a CBR still hadn't been received Miss M complained to them. They subsequently explained that they were conducting an internal review into the account, and it could take up to 60 days to resolve the matter. They offered Miss M £50 compensation for the distress and inconvenience caused when they failed to update her about what was happening.

Miss M referred her complaint to this service and AESEL offered a further £50 in compensation as they accepted they had failed to keep Miss M informed of delays. Our investigator thought they'd provided reasonable compensation and explained that a CBR for the £815.04 hadn't been made, as by the time AESEL's review had finished Miss M had completed further spending on the account and the balance was no longer present.

Miss M 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 know it will disappoint Miss M, but I'm not upholding this complaint. 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.

The terms of Miss M's account allowed AESEL to treat a credit for a refunded item as a payment made towards the account balance.

While the £815.04 was refunded by the merchant in May 2024 and there was a credit balance at that time, of at least that amount, that could have been refunded by AESEL once they had proven the provenance of the account it was to be refunded to, by the time AESEL

completed their review of the account Miss M had completed further transactions on the account that had used up some of that balance, so it was no longer available to pay her.

I don't think AESEL have done anything wrong. They were obligated to prove the provenance of the account they were being asked to make a CBR to and I can't say it was unfair of them to review Miss M's account. They've compensated Miss M for not keeping her updated about the delays and I think the £100 they have offered is reasonable in the circumstances.

I can see that AESEL did complete another CBR on 17 June 2024 that related to another purchase refund. They made that CBR while they were reviewing the account. They've explained that was because their agent on that occasion hadn't triggered a review of the account or identified one was in process. I can understand Miss M would have been frustrated that one CBR could be completed while another one remained outstanding. I think that was a mistake by AESEL but given the amount of compensation they have already offered here I don't think it would be fair to ask them to pay anymore.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 3 February 2025.

Phillip McMahon
Ombudsman