

The complaint

X complains about a dispute he raised to AMERICAN EXPRESS SERVICES EUROPE LIMITED trading as American Express (Amex) in respect of payments made towards a holiday.

What happened

On 30 January 2024, X was attempting to book a holiday via a travel agent who I'll call O. X tells us that he attempted to make a payment towards the holiday multiple times using his Amex credit card, but the transaction kept being declined. He then booked his holiday using an alternative payment method.

Despite his transactions having been declined, X tells us that he received confirmation from O of the booking having been made followed by emails from Amex asking if he had authorised the transaction. X says he spoke to Amex over the phone later in the day and confirmed the transaction was genuine, but he no longer wanted to proceed with it as he had already made an alternative booking. The payment did, however, go through.

X was booking a combination of flights and accommodation through O so when the payment went through, it happened in two transactions. £205.60 went towards flights to a company I'll call E and £174.57 went to O. X then raised payment disputes for both transactions.

Amex raised chargeback disputes to E and O. Both merchants defended the transaction. E said it had a cancellation policy which allowed for a refund to be made if the flight is cancelled within 24 hours of booking. As X had cancelled outside that timeframe, he was not entitled to a refund. O said the services were available to use and as per the cancellation policy, X was not entitled to a refund. It advised X to go directly to the flight carriers for further assistance. Amex then declined to proceed with the chargeback disputes any further.

X raised a complaint, and Amex didn't think it had done anything wrong in the way it had handled his disputes. So, X brought his complaint to our service. Our investigator said he didn't think Amex had done anything wrong. The investigator explained that as cancellation was not made within the required time frame, X was no longer entitled to a refund as per the booking terms and conditions. This in turn meant the disputes had little prospect of success. Our investigator also said that X had authorised the transaction, so it was up to him to have cancelled the booking in time to receive a refund.

X was unhappy with this outcome and he asked for an ombudsman to review the complaint. X said when he spoke to Amex over the phone, he told it he did not require the payment to go through, so he does not accept it as an agreement to authorise the transaction. X said he left the phone call thinking the payment had been declined so he had no reason to know that he might need to cancel the booking. X said he thinks Amex has delayed his understanding of the fact that he would be charged and its communication caused him to fail to cancel the booking in time. So, the complaint has now 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.

I would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Authorisation

X says he didn't authorise the transactions as when he spoke to Amex over the telephone, he told it the transactions were genuine, but he no longer needed them to be made as he had made alternative arrangements and booked his travel. I would like to take this opportunity to explain to X that authorisation of a payment occurs when you enter your payment details into the merchant's website and confirm you wish to make payment. The payment is processed soon after but may still be subject to checks by Amex in order to safeguard its customers.

Amex called to confirm if the transactions were genuine and X confirmed they had been made by him. There is no dispute that X entered his payment details on to the website and tried to make payment, and therefore I am satisfied that the payments were authorised. Amex could not stop the payment when it spoke to him, because it has confirmed to us that it already been authorised and processed. If the payment was not genuine/fraudulent then Amex would have followed its own processes to help protect its customer. But on this occasion, as X confirmed he made the payments, Amex did nothing wrong by taking no further action regarding the payments at this point.

I will now move on to look at the dispute in more detail.

Chargeback

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. 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. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

Based on what I've set out above, I don't think Amex could have raised a chargeback dispute on the basis that the transaction had not been authorised. Amex still raised a dispute with the merchants on the basis that the transactions were not recognised. Both merchants provided defences, with E detailing how the flights were cancelled by X but not within the period required to warrant a refund and O explaining the services were available to be used and its own cancellation terms. As X could not provide anything further to show the charges were invalid, the disputes were declined.

Based on what I have seen, I find there to have been a little to no chance these chargeback disputes would have been successful. I therefore do not find that Amex has done anything wrong by failing to pursue them further. X made the booking twice. This is not the fault of the

payment provider or the merchant and although I appreciate how frustrating this might have been for X, he had emails from the merchant confirming the booking with enough time to cancel if needed.

Lastly, I note that X has questioned why smaller payments went through to E and O, but not the full amount owed as the total cost of his holiday booking through O was £1,588.78. The booking confirmation email confirms that only the payments in dispute here would be taken at that time and the remainder of the balance would be payable directly at the hotel in cash or by card. So, I can't see there were any errors made in relation to the payments that did go through.

Overall, although I have every sympathy for the situation X has found himself in, I don't think that I can safely hold Amex liable for his losses via his rights under the chargeback rules.

My final decision

My final decision is that I do not uphold this complaint against AMERICAN EXPRESS SERVICES EUROPE LIMITED trading as American Express.

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

Vanisha Patel
Ombudsman