

The complaint

O complains about a payment dispute raised to American Express Services Europe Limited (Amex) in respect of a garage not received in full and not fit for purpose.

O is a limited company, and the complaint has been brought by its director. For ease, I will refer to all representations made by the company director as having been made by O.

What happened

O purchased a flat packed garage in July 2023 from a merchant who I'll call D. The garage cost £3,426.74 and was paid for using an Amex business credit card. O states that the correct working goods were never fully delivered, including not having been delivered in working order. O further states that the goods were not fit for purpose in that the frame buckled in under its own weight.

In March 2024, O raised a dispute online with Amex. O was provided with notification that the dispute had been brought out of time so O contacted Amex via chat instead. The Amex representative raised a dispute on O's behalf under the reason code Goods and Services Not Received. O asked what would happen if D did not respond to the dispute and the representative assured O the dispute would be resolved in O's favour and the credit applied to the account when the dispute was raised would become permanent.

D did not respond to the dispute and Amex, having reviewed it did not resolve it in O's favour as the dispute had been brought out of time as per the Amex chargeback rules on time limits. O raised a complaint as it had relied on the information provided to make financial decisions and so the charge having been re-applied to the account put it in a difficult position. The account was unpaid and so this caused arrears and eventually, debt collection activity to take place on the account.

Amex reviewed the complaint and said it had not provided O with correct information regarding the dispute being resolved in its favour. It offered £25 for any distress and inconvenience caused due to this error. Unhappy with this, O brought its complaint to our service. O said the assurance provided constituted a legally binding contract and so Amex should cover the disputed amount and provide more compensation for the distress caused and financial implications on the business. O also raised concerns about how the complaint had been handled by Amex.

Our investigator reviewed the complaint and said the chargeback element of the complaint has been handled fairly as the dispute was raised out of time and therefore had no chance of success. The investigator further said the £25 was reasonable for the mistake made by the representative, and that complaint handling is not a regulated activity so we couldn't consider those elements of O's concerns.

O asked for an ombudsman to review the complaint. O said the time limits allow for 540 days to raise a dispute and it had been raised within that time, that O formed a legally binding contract when it provided those assurances and should now take responsibility for the losses incurred and the service received during the complaints handling process breached the

Financial Conduct Authority (FCA) rules. 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.

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.

O states that the correct working goods were never fully delivered, including not having been delivered in working order. When goods are only partially received or not received at all, the applicable reason code is Goods and Services Not Received. The dispute must be raised within 120 days of the network processing date, or within 120 days of the date the card holder becomes aware the goods will not be provided (not to exceed 540 days from the network processing date). For concerns about it being not fit for purpose, the time limits are also that disputes must be raised within 120 days of the network processing date.

This was a flat packed garage. Most often, the 120 days would start from the date payment was taken or date of delivery. O has provided us with information about how some of the parts were not fit for purpose or not in good condition on delivery. This suggests that any awareness of the issues with the garage should have been present from the date of delivery rather than at a later point. If there was a partial delivery, then the date of delivery is still the most relevant date. As more than 120 days had passed since this date well before the dispute was raised, I find that the dispute was brought out of time, and I don't find Amex to have treated O unfairly when it declined the dispute for this reason. I understand why O has raised the 540-day argument, however this is more relevant for things that you pay for in the future, such as concert or flight tickets rather than this particular situation where the good were delivered on order.

Amex has shown us that when O raised the dispute online initially, the following message was displayed based on the information provided:

"We are unable to investigate this transaction due to the time that has elapsed since it was charged to your account. If you can advise us of any queries on your statement as soon as possible we are better placed to assist you. If needed more information can be found in your terms and conditions. We suggest that you contact the merchant directly for more information about this charge."

I find it likely O had seen this message as the dispute was not finalised and O proceeded to contact Amex via chat service instead. When O spoke to a representative, they used an

override function regarding the time limits to raise the dispute with the merchant. This was done as a good faith attempt.

Amex accepts it made an error in telling O that if the merchant didn't respond the credit applied to the account would become permanent. O states this formed a legally binding contract and so Amex should be held to it, but I don't agree. Amex had no intention to create legal relations or form a legally binding contract, and simply made an error in the service provided. The message on the website had already informed O that time limits might be an issue here, and despite this O relied on the information provided by the representative to inform the financial decisions it made. I can't safely hold Amex liable for that when O did little to mitigate its own circumstances.

I appreciate this matter has caused distress to O's director and they have explained the effect this matter has had on them. However, as a company is a legal entity it cannot experience distress in the way that a person can. All of the issues O's director has described are in direct relation to the distress caused to them and the time it has taken them to pursue this matter. I do not find it reasonable to make an award for this. I understand Amex has offered £25 to apologise for the incorrect information provided, and I do not intend to amend this.

I cannot see that the claim has been considered under Section 75 of the Consumer Credit Act 1974, and as such it is not within my remit to consider it at this stage. O is able to ask Amex to consider the claim under Section 75 to establish whether there was a breach of contract or misrepresentation which means Amex can be held liable for the concerns O has with the goods under this provision. I do not find that I agree that the handling of this dispute has caused an unfair relationship to arise as per Section 140A.

Lastly, O states it had issues with the complaints process. We can consider complaints about complaint handling when they are linked to a regulated financial activity, such as a chargeback dispute. O states they had to send multiple letters of complaint. As far as I can see, these were all received and responded to within a reasonable time frame with Amex having offered the £25 on the first review, and then sending multiple pieces of correspondence re-iterating the same stance every time a subsequent letter was received. It could be that O continued to try and raise this through multiple methods as this correspondence had not been received but I do not find it reasonable to hold Amex responsible for that. So, overall, I find that Amex has treated O in a fair and reasonable manner.

My final decision

My final decision is that I do not uphold this complaint against American Express Services Europe Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 18 July 2025.

Vanisha Patel
Ombudsman