

The complaint

A company which I'll refer to as R, complains that American Express Services Europe Limited (Amex) failed to properly deal with its legitimate chargeback claims.

In bringing this complaint, R is represented by its director, who I'll refer to as Mr T.

What happened

R operates as a restaurant. In January 2020, R was granted an Amex Platinum Business Card (the Card), which on behalf of R, Mr T used to pay for various transactions.

In 2023, on behalf of R, Mr T used the Card to purchase items from a merchant in China.

Mr T told us that:

- One of the items that R purchased was a quantity of bowls for use in the restaurant. But the bowls were not produced to R's specification. In particular they were the wrong colour and the merchant declined to refund the money that R had paid.
- Also, for its restaurant, R purchased a number of tables and chairs from the merchant. But here too, the tables were not supplied in accordance with R's specification. Whereas the tables were supposed to be self-levelling, those that were supplied were not.
- In addition, the price R paid for the tables and chairs included their delivery to R's place of business in central London. However, when the tables and chairs arrived in the UK, the merchant's delivery partner said that due to the size of the consignment it could not be delivered to R's address since access to the premises was restricted.
- R asked the merchant to pay the extra cost of delivery on the basis that together they'd contracted for delivery to R's business premises, but the merchant refused. R had therefore to cover all port fees and the extra delivery cost to its premises. Given these events, R raise a chargeback with Amex.

Amex told us that:

- After receiving R's chargeback requests, they contacted the merchant to get its side of things. However, the merchant defended the chargebacks. In connection with the bowls, the merchant provided evidence which demonstrated that R had continuously changed the specification of the order. But eventually R agreed to a compromise design which the merchant later produced. The merchant also provided evidence that they delivered the reproduced items to R's shipping agent who in turn confirmed they had the items.
- In relation to the tables, the merchant provided photographs that were taken just before the shipment of the items, and they showed that the tables it supplied were indeed self-levelling.

- On the question of the additional fees for delivery of the tables, the merchant showed it offered R a solution to the issues that arose albeit, R didn't think its proposal was acceptable.
- Ultimately, after reviewing the documentation and other supporting evidence that the merchant provided in defence of the chargebacks, they decided they would not pursue the matters further. They told R that the information it had provided was not sufficient for them to continue disputing the chargebacks and therefore they were unable to contact the merchant further on R's behalf.

R didn't agree with Amex's conclusions and as R's complaint remained unresolved, Mr T referred it to this service to look into.

Our investigator looked into the complaint and overall concluded that Amex acted fairly when considering R's chargeback claims. He said – in summary that:

- Amex contacted the merchant in connection with the chargebacks because they believed R's claim had a reasonable prospect of success. But the merchant provided a number of screenshots of their systems as well as various chats to demonstrate it had honored its contract with R.
- In relation to the bowls for example, he noted the evidence from the merchant showed R suggested it would be better to make them in "black and white" colour. And although the merchant was unhappy because they'd already made some of the bowls in a different colour, nonetheless, they agreed to make them as R specified. He also noted WhatsApp pictures showing white bowls with black logo were produced as had been agreed and that R responded to the merchant by saying: "Thanks. Looks good" which suggested the bowls were acceptable.
- The evidence provided by the merchant suggested the bowls were delivered to R's agent in China. And although he agreed that didn't prove they were then transported on to the UK, nonetheless he was satisfied on balance that the delivery took place in accordance with R's instructions and Amex were not obliged to look further into this.
- In relation to the tables, he was satisfied the merchant did provide evidence to rebut R's assertion that the tables were not self-levelling.
- Correspondence about the delivery costs of the tables showed the increased delivery charges stemmed from issues surrounding R's address. Also, it showed there were unanticipated port and miscellaneous fees that became part of those charges.
- Overall, however, in relation to this aspect of R's dispute with the merchant, he didn't think it was clear who contractually was right or wrong regarding the additional charges that R said it incurred. That being said, Amex's role in the circumstances was to deal fairly with the chargeback claims. And he was satisfied Amex did enough to investigate the position. He wasn't persuaded there was sufficient evidence for Amex to continue pursuing the dispute with the merchant and therefore, he didn't think Amex's decision not to do so was unreasonable.

R didn't accept the investigator's conclusions and has asked for an ombudsman's review of its case. On its behalf Mr T wrote with further submissions, but those submissions largely expanded on the arguments Mr T originally submitted on R's behalf. So, I'll summarise them briefly. Mr T said:

- Regarding the bowls, there is a misunderstanding. R's case is that the actual bowls in question are those that were made in the second production run after the merchant's initial error. Although various other items were delivered to its agent in China, they weren't the remanufactured bowls. They were not sent to the

UK and therefore the merchant breached their agreement.

- Despite paying for the delivery of the tables to R's address, the merchant did not complete the delivery as it was contractually obliged to do. R therefore incurred substantial additional charges in order to do so. No information about incidental charges or delivery fee adjustments were provided by the merchant on the invoice or in any conversation with Mr T. Moreover, in none of the contractual discussions between R and the merchant, did the merchant ask any questions about the actual location of R's premises.
- The merchant explicitly contracted with R to deliver its goods to its address but then refused to honour that contract which meant R then had to pay another company to complete the delivery.

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.

Where the evidence is incomplete or inconclusive (as indeed some of it is here) I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

I start by acknowledging how strongly Mr T feels about this complaint. He's made extensive submissions on behalf of R including various WhatsApp messages that were exchanged with the merchant in this case.

I want to assure Mr T that I have considered all the points he has made both in his initial and subsequent submissions to this service. I mean no discourtesy in saying this but my decision won't address all the points that have been made by him. That is because in keeping with our role as an informal resolution service and as our rules allow me to do, I will focus on the issues I find to be material to the fair and reasonable outcome of this complaint.

I should add that where I've omitted to comment on any specific point, it's not because I haven't considered it – I assure Mr T that I have. The reason I haven't is because I don't think I need to in order to reach what I think is that fair and reasonable outcome.

I come now to my final decision in detail. To begin with, I'll briefly explain its scope. In this decision, I'm only able to consider how Amex handled the chargeback disputes that R raised with them. I say that because I'm aware there are contractual issues between the merchant and R, which Mr T has highlighted in his submissions. But as ombudsman, I'm not able to consider and comment on the merchant's actions as they relate to any contract with R – including, whether the merchant breached that contract. That would fall outside our rules.

I turn next to the chargebacks in question. As noted above, R's dispute relates to three events, each of which I discuss below.

For context, however, I should briefly explain what a chargeback is and what Amex is required to do when a card holder raises it.

A chargeback is basically the reversal of a previously cleared transaction. In other words, it allows for a refund to the card holder in certain circumstances such as, for example, where goods and services have been paid for using a card but not received. The process is designed to be simple. It is not designed to settle complex disputes.

Amex in this case operates as the card issuer and merchant acquirer in that they sign up merchants to accept their cards. Amex operate their own chargeback scheme, rather than through a third-party card scheme such as for example Visa or MasterCard.

When considering R's case, the question for me to decide is whether Amex handled R's chargeback request appropriately. So, whilst the background to R's complaint is complex, the issue that I have to decide is a straightforward one.

In doing so, I bear in mind that Amex's responsibility (as the card issuer) during a chargeback dispute is to represent R as fairly as possible. And that involves Amex raising the chargeback dispute with the merchant through their dispute resolution scheme, if they consider the dispute has a reasonable prospect of success. In that process Amex would ask the merchant to return to the card holder the payment the cardholder made to it. In the circumstances of this case, by raising the chargebacks with the merchant, I'm satisfied Amex did what was required of it.

However, the process also gives the merchant the opportunity to provide a defence to the chargeback if it thinks it is invalid. It does so, by supplying its own rebuttal evidence to support its position. So, it is never certain that a chargeback will succeed.

In this case, as noted above, Amex raised the chargebacks on behalf of R and the merchant provided a defence claiming they were invalid. Where that occurs, I would expect Amex to consider the merchant's evidence and make a decision whether to accept that defence or continue to pursue the matter by asking the card scheme to decide the matter finally.

That being said, I would not expect Amex to pursue a chargeback further if the evidence provided by the merchant showed there was no longer a reasonable prospect of success. Amex accepted the merchant's rebuttal evidence in defence of its position and decided not to take the matter further. So, I've thought about whether Amex acted fairly when they received the merchant's defence and came to the conclusion they did. In other words, whether Amex acted reasonably in the circumstances.

the bowls

There is no dispute between the parties that initially the bowls that the merchant produced did not meet R's specification and so a rerun of the production was necessary.

I've seen the rebuttal evidence that the merchant sent to Amex which does appear to show that R and the merchant did eventually compromise and agreed a revised colour combination for the bowls. R considered the compromise to be acceptable. The merchant also provided pictures that appeared to show delivery of the items to R's agent. But these were boxes the contents of which weren't shown.

I note therefore it is Mr T's submission that the pictures were of other items that were indeed delivered and safely received by its agent. But it is also his case on R's behalf that the deliveries shown in the pictures were not the bowls that the merchant undertook to reproduce in the correct colours after its initial error. R's case is that those items were not delivered at all. Whilst I can't rule out the possibility that occurred, it is difficult to see how reasonably Amex would have been able to determine this with certainty.

I note from Mr T's testimony that there was a dispute between R and the merchant regarding additional charges for the shipment of those items. That suggests the possibility that this was the actual reason the delivery might not have taken place. It seems that this dispute was in connection with who should rightly be responsible for further additional costs associated with the shipment of the reproduced bowls. R refused the merchant's demand to settle such additional fees.

The correspondence I've seen appear to show that extra costs of approximately USD1300 that were associated with the shipment needed to be covered. But R was reluctant to pay this extra cost because R considered that ultimately, it arose from the error the merchant made initially regarding the production.

Mr T said at this point that he considered the merchant to be dishonest and intransigent. So, R opted to cancel the order. That suggests to me that there was an intractable and complex dispute between the merchant and R. And in the circumstances, I don't think Amex acted unreasonable in deciding it was no longer appropriate to continue pursuing the chargeback.

self-levelling tables:

WhatsApp messages and screen shots provided by the merchant to Amex show there were indeed exchanges of messages between Mr T and the merchant about the self-levelling mechanism of the tables. In particular correspondence between 12 June and 14 June 2023 where Mr T complained that the tables were not self-levelling. But the merchant response was this:

"your table is equipped with the stopper on the right which is adjustable. And we have photos to share this detail with you before shipping. If you don't know how to adjust you can take some pictures back to us. We let the master teach you how to operate"

Amex said after this evidence was disclosed to R, it did not pursue the matter further. So, it wasn't unreasonable for Amex to decline to do so as well.

extra costs associated with the delivery of the tables.

It would appear that this is the issue that is at the heart of R's case that it was let down by Amex. R's case is that it had a contract with the merchant to deliver the tables and chairs to its actual address in central London, but the merchant did not.

I've seen the communication that took place between the merchant and Mr T regarding the delivery. And I have noted Mr T's insistence that the delivery needed to be to R's address since that was their contractual agreement. Mr T submitted that R provided the merchant with its address and so, it should have raised any concerns about possible difficulties with the delivery which it did not.

The merchant on the other hand seemed to have been unaware of the actual location of R's address to begin with. And more to the point that delivery would be impossible due to the restricted nature of the location.

But it does appear that there were arguments raised on both sides as to who was to blame for this. R argued that in their contractual discussions, the merchant didn't query the location of R's address. Whereas the merchant on the other hand believed it should have been warned by R there might be difficulty accessing the address because it was in a restricted area.

I note the merchant did suggest the container could be delivered to a street close to R's address. Or alternatively, that both it and R could come to an arrangement whereby several small vehicles could be used to transport the offloaded items to R - albeit at an additional cost.

But R rejected the proposal, as Mr T did not see this as a reasonable compromise. Rather R insisted that the merchant should honour their contractual agreement regarding the delivery.

Bearing in mind, however, that chargebacks are intended to settle simple disputes and are employed where there is a reasonable prospect of the matter being successfully settled, I don't think the circumstances Amex faced here, that it was likely the chargeback would be successful. So, I don't think Amex acted unfairly in deciding not to further pursue the chargeback.

Summary

I'm sorry to further disappoint R, but based on what I've seen, I do not find that Amex acted unfairly in their handling of the chargebacks. I'm satisfied that the evidence they received from the merchant showed there was very little chance that the chargeback disputes would have been successful.

My final decision

For the reasons I've explained above, my final decision is I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 28 October 2025.

Asher Gordon
Ombudsman