

The complaint

Mr C complains that American Express Services Europe Limited has incorrectly represented the balance on his charge card account. He says that this is, at least in part, because of a transaction in October 2019 which should have been refunded.

What happened

Mr C has a charge card account with Amex. He also has a credit card, but this complaint concerns a payment of £5,024.57 made on his charge card on 11 October 2019.

Mr C has explained that the payment was made through PayPal to a company, which I'll call "D". Mr C says that D did not provide the services he had paid for. It went into administration and was dissolved in January 2020.

In November 2020 Mr C raised a dispute with Amex, saying that he had not received what he had paid for. Amex considered whether to issue a refund under its chargeback scheme, but concluded that Mr C's claim had been made outside the relevant time limits – in this case 120 days from the point at which D should have provided the services.

In May 2024 Mr C raised a complaint with Amex, saying, in summary, that the balance on his charge card account was incorrect – because of the disputed payment. Amex did not accept that, and so Mr C referred the matter to this service.

One of our investigators considered what had happened and issued a preliminary assessment. She did not recommend that Mr C's complaint be upheld. She agreed with Amex that Mr C's chargeback request had been raised too late. She noted too that section 75 of the Consumer Credit Act 1974 did not apply to charge card transactions.

Mr C asked that an ombudsman review the case. In doing so, he did not directly challenge any of the investigator's findings, although he did make a number of general accusations or breaches of legislation and regulations on the part of both Amex and of this service.

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.

Chargeback

Chargeback is an arrangement under which certain card payments can be challenged. It may be appropriate where, for example, a payment has not been authorised, goods or services are not delivered, or where a refund has been agreed but not made.

Because Amex both issues payment cards and operates as a merchant acquirer (signing up merchants which are able to accept payments made with its cards), it operates its own chargeback scheme under its own rules. Most other card issuers are subject to the chargeback rules of the card schemes, Visa or MasterCard. But all chargebacks are subject to time limits. Those limits can vary across the schemes and depending on the type of

transaction. But for the payment which Mr C is challenging, the relevant time limit was 120 days.

Mr C did not challenge the payment until November 2020, more than a year after the payment was made. In my view, Amex was justified in declining his request for a refund on the grounds that the claim was made outside the relevant time limit.

Section 75

Section 75 of the Consumer Credit Act says:

75 Liability of creditor for breaches by supplier.

(1) If the debtor under a debtor-creditor-supplier agreement falling within section 12(b) or (c) has, in relation to a transaction financed by the agreement, any claim against the supplier in respect of a misrepresentation or breach of contract, he shall have a like claim against the creditor, who, with the supplier, shall accordingly be jointly and severally liable to the debtor.

...

(3) Subsection (1) does not apply to a claim —

...

c) under a debtor-creditor-supplier agreement for running-account credit—

(i) which provides for the making of payments by the debtor in relation to specified periods which, in the case of an agreement which is not secured on land, do not exceed three months, and

(ii) which requires that the number of payments to be made by the debtor in repayments of the whole amount of the credit provided in each such period shall not exceed one.

The payment was made with a charge card, and Mr C was required under the card terms to clear the balance in full each month. It follows that section 75(1) did not apply in this case and that Mr C does not have a claim against Amex in respect of any breach of contract on the part of D.

Other matters

I note that Mr C has said that he has reported the payment as fraudulent. He has not suggested however that he did not make the payment himself or that he was the victim of authorised push payment fraud (as defined in the Financial Conduct Authority's Handbook).

In the circumstances, I do not believe that Amex has treated Mr C unfairly by declining his claim for a refund. Nor do I believe that there are any grounds on which I can fairly say that Amex should adjust Mr C's account balance.

My final decision

For these reasons, my final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 April 2025.

Mike Ingram
Ombudsman