

## **The complaint**

Mr M has complained about the way American Express Service Europe Limited (“AMEX”) dealt with a claim for money back in relation to a holiday cruise package he paid for with credit it provided.

## **What happened**

In early 2024, Mr M used his AMEX credit card to pay for a 7-night holiday cruise package with a supplier I’ll refer to as “T”. Mr M paid £600 and £3,302 in January and February 2024 respectively. The cruise was due to begin on 27 March 2024.

On 29 March 2024, Mr M was informed that there were technical issues with the cruise ship and after 3 days, the holiday was curtailed by T. After a stay at a hotel, Mr M was flown back to the United Kingdom on 31 March 2024.

T refunded Mr M 4/7th of the total cost of the holiday package. It also offered compensation to the value of £300 for costs Mr M may have incurred (£50 per person compensation for drinks and £100 per person holiday voucher). But Mr M wanted a full refund of the holiday as he had paid for a “satisfaction or money back guarantee experience” with T. T refused to refund the full costs of the holiday package saying the guarantee didn’t apply – and Mr M had the benefit of the outbound and inbound flights, 3 days aboard the ship as well as the hotel stay. It felt its offer was fair.

Unhappy Mr M raised a claim under Section 75 of the Consumer Credit Act 1974 (“s.75”) with AMEX – saying that he didn’t get the holiday experience he had paid for, that T had breached the contract by cutting short the holiday and felt it should’ve offered him a full refund. AMEX considered the claim as a potential breach of contract under s.75. AMEX didn’t offer any further remedy, saying Mr M had benefited from some of the contract and therefore a partial refund was fair.

Mr M decided to refer his complaint to the Financial Ombudsman. He re-iterated that he hadn’t received the services offered under the contract, that the holiday wasn’t satisfactory, and he added that all the major destinations were missed, and he had no experience of the sights of the Danube. He felt he was owed a full refund.

Our investigator looked into things and felt that AMEX’s response to Mr M’s claim was fair, because T had offered a partial refund for the unused portion of the package holiday. She felt it was fair for Mr M to pay for the flights used, the three days aboard the ship as well as the stay at the hotel. She also reiterated that the satisfaction guarantee was not applicable in this case, so Mr M wasn’t entitled to a full refund.

Mr M didn’t agree re-iterating that he didn’t get the holiday experience, that the terms relied on to deny a full refund was only related to the satisfaction guarantee. But he felt this was a fundamental breach of contract and he didn’t get the cruise that he paid for, and felt he should get a full refund. He didn’t feel that a partial refund adequately dealt with the breach of contract.

As things weren't resolved the complaint has 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.

Firstly, I'd like to reassure Mr M, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of his complaint in this decision as I'm required to decide matters quickly and with minimum formality.

I would add that I understand how disappointed Mr M feels given he's paid for a holiday cruise experience and believe his enjoyment would have been significantly affected by the curtailment of the holiday and the experience he had in the day before he returned home. But it may be helpful to explain that I need to consider whether AMEX – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr M's claim. But it's important to note AMEX isn't the supplier. S. 75 is a statutory protection that enables Mr M to make a 'like claim' against AMEX for breach of contract or misrepresentation by a supplier when goods or services were bought using a credit card. But, it's important to note that AMEX isn't T, and isn't responsible for everything that might've gone wrong with T.

There are certain conditions that need to be met for s.75 to apply. From what I've seen, those conditions have been met, and AMEX also appears to agree that s.75 applies.

I've considered if there is persuasive evidence of a breach of contract or misrepresentation by T that means AMEX should have offered something different when handling Mr M's claim. But I want to explain from the outset that I can only consider Mr M's complaint on that narrow basis – that is, whether it was fair and reasonable for AMEX to respond to his claim in the way that it did.

Mr M says he bought a satisfaction or money back guaranteed holiday, and he didn't receive that. But as explained by our investigator, the wording for the guarantee clearly states that the offer didn't apply when problems were caused by issues beyond the control of T. It listed a set of circumstances where the offer wouldn't apply, and one of those was "*unavoidable and unforeseen technical problems with transport*". So as explained by our investigator, I don't think the guarantee applies here so I don't think Mr M is entitled to a refund due to this. I therefore don't think AMEX acted unfairly by not offering Mr M a full refund of his holiday under the guarantee.

But as stated by Mr M, there are also consumer rights laws and regulations that underpin contracts like this which I've taken into account such as the Consumer Rights Act 2015 (CRA) as well as the Package Travel and Linked Travel Arrangements Regulations 2018 (PTR).

I think it's important to bear in mind that Mr M did use the inbound and outbound flights as well as having three days on the ship. He also had a stay at a hotel with vouchers for drinks before flying home. I appreciate (like Mr M says) the hotel stay wasn't a like for like exchange – but I don't think it's fair to argue that it had no value at all. Overall, I'm not persuaded that Mr M hasn't benefited from the holiday package at all.

Under the PTR, T must offer Mr M an "appropriate price reduction for any period" it was unable to carry out the services it had offered in the contract. It's clear that a proportion of the package was not provided by T, the cruise having been curtailed after three days. And it didn't offer to provide any form of alternative arrangements. So, I think Mr M was entitled to

'compensation' in the form of an appropriate price reduction under the term implied by the PTR.

T refunded Mr M initially three out of seven nights of the holiday he hadn't been able to use but later increasing this to four out of the seven days of the holiday. It also offered him an additional £300 compensation for costs he may have incurred (including the drinks and holiday vouchers).

It's not an exact science to work out what an "appropriate price reduction" should be. I understand Mr M feels that because there has been an inherent breach of contract, he is simply entitled to a full refund. But I don't agree – as I've said he has benefited somewhat from the holiday package and under the regulations, he is only entitled to a fair price reduction for the period he didn't enjoy the cruise. In the absence of a fairer way of calculating this, I don't think it was wrong for AMEX to conclude that T had fairly calculated the price reduction for the part of the cruise that Mr M didn't receive.

So, I don't think it was unreasonable for AMEX to conclude that T's offer was reasonable and therefore that it wasn't obligated to offer any more.

I understand Mr M doesn't feel that he received the full experience that he paid for, and I appreciate his strength of feeling regarding this matter. I recognise he feels that the method of calculating the refund was simplistic, and didn't account for the fact that most of the time he spent wasn't "cruising the Danube" – which was the main purpose of the holiday. I've also thought about his comments about his final day on the ship as well as the hotel he stayed at. And while I sympathise with his concerns about the third day of the cruise, his opinion about the hotel as well as the inconvenience he's mentioned during his return flight home – I don't think I can fairly conclude that nothing he benefitted from had any value and so he is entitled to a full refund. I also have to bear in mind T refunded four out of seven nights despite him returning home on the 31 March 2024 as well as offering him compensation to the value of £300.

While I am sorry to hear Mr M is unhappy, with s.75 in mind, I don't find there are grounds to direct AMEX to refund him the full cost of the holiday. I think AMEX's response to his claim – that he's been offered a fair price reduction by T, isn't unreasonable so I don't direct it to do any more. I should, however, point out Mr M doesn't have to accept this decision. He's also free to pursue the complaint by more formal means such as through the courts.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 August 2025.

Asma Begum  
**Ombudsman**