

The complaint

Mr B complains about the way in which American Express Services Europe Limited handled his claim for a refund of a fee which he believes to be unfair.

What happened

On 21 April 2024 Mr B made a booking for holiday accommodation through a well-known online marketplace, which I'll refer to as "A". He realised very quickly however that he had made an error in entering the dates of the booking and so cancelled it almost immediately. He was however charged a cancellation fee of £67.46. He thought that was unfair and so contacted Amex, seeking a refund.

Amex considered Mr B's request under its own chargeback scheme. It was not satisfied, however, that he had provided the evidence needed to support his claim.

Mr B was unhappy with Amex's decision and with its process, which he thought was designed to make it difficult to challenge payments. He referred the matter to this service, where one of our investigators considered what had happened. She considered both Amex's handling of the chargeback request and whether Mr B might have a claim under section 75 of the Consumer Credit Act 1974 ("section 75"). She did not however recommend that Mr B's complaint be upheld. Mr B asked that his complaint be referred to an ombudsman for further consideration.

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.

The underlying facts in this case are not in dispute. Mr B cancelled a booking with A but was nevertheless charged £67.46, which was debited to his Amex account. The booking confirmation from A is consistent with that. It includes:

Cancellation policy

Cancel before 15:00 on 26 Apr for a partial refund. After that, the reservation is non-refundable.

[Read more](#)

Payment details

Amount paid: £67.46 GBP

And:

Cancellation policy

Cancel by

26 Apr Partial refund: Get back 50% of every night. No refund of the service fee.

15:00

5 May No refund

11:00

(check-out)

A screenshot from A also confirms that the reservation was cancelled and that a refund of £157.44 was sent on 21 April 2024.

Mr B's credit card statement does not show a refund of £157.44, or a payment of £224.90 (£157.44 plus £67.46). It appears then that the full rental fee was not processed, but that A processed only the cancellation fee. But, however the payments were processed, Mr B's case is that, as he cancelled the booking almost immediately, he should not have been charged anything. He accepts that A's booking conditions provide for a cancellation fee, but says that its cancellation policy is unfair and that the fee he was charged is disproportionate.

Chargeback

Because Amex operates as a card issuer and merchant acquirer, it operates its own chargeback scheme, the rules of which apply to both cardholders and merchants. It does not operate through a third party card scheme, such as Visa or Mastercard.

When logging his chargeback request, Mr B indicated that the reason for his request was: *"I don't agree with the charge amount, or I have been billed more than expected."* Whilst that was the closest fit of the options available to him, I don't believe that it fully reflected his concerns in this case. And Amex appears to have approached the case on the basis that Mr B had agreed to one price but had been charged a higher price.

As a result, Amex asked Mr B to provide documents which he was unable to provide. He could not provide evidence, for example, that he had agreed to one cancellation fee but was charged a different one; he had been charged what the booking terms said he would be charged.

It appears to me, however, that there was no basis on which Mr B could submit a successful chargeback claim in the circumstances he sought to do so. His assertion – that A's cancellation terms were unfair – was not something that could be resolved through Amex's chargeback process. Amex could of course have identified that at an early stage and told Mr B that it would not take things any further, but I think it was reasonable for it to try to ascertain what further evidence – if any – was available before reaching that conclusion.

In the circumstances, I think Amex's decision not to take Mr B's chargeback claim any further was a reasonable one.

Section 75

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider.

Those conditions include conditions about the value of the transaction. Specifically, section 75 does not apply to a transaction in respect of an item to which the supplier has attached a price of £100 or less.

They also require that the claim is in respect of a “*debtor-creditor-supplier agreement*” (defined in section 12).

It is arguable in this case that these conditions have not been met. More significantly, however, I don’t believe that Mr B has shown (or even alleged) that he has a claim for breach of contract against A or against the owner of the property. He has said only that the cancellation charge was unfair and disproportionate, whilst acknowledging that it was made in line with the booking conditions.

Amex did not consider whether Mr B might have a claim under section 75. Given the nature of his concerns about the payment, however, I do not in this case think it should have done so. But, even if it had done so, I think the most likely outcome would have been that it would have decided that such a claim would not succeed. I think that would have been a reasonable conclusion.

Consumer duty

Mr B says that he thinks Amex’s processes are designed to prevent customers from bringing complaints.

I accept that Mr B’s claim did not progress as smoothly as it might have done. I accept too that its process was not easy to navigate and that Mr B had difficulty in contacting Amex to discuss his case. In part, however, I think that was because his chargeback claim did not fit any of the chargeback reasons which could give rise to a refund. I do not believe therefore that I can fairly say that Amex’s processes were at fault.

My final decision

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

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 26 June 2025.

Mike Ingram
Ombudsman