

## **The complaint**

Mr S complains that American Express Services Europe Limited (AESEL) didn't adjust his Direct Debit collection amount after he received refunds to his account.

## **What happened**

Mr S holds a credit card account with AESEL.

Mr S's February statement was generated on 13 February 2025. The statement balance was £3154.62. Payment was due to be taken by Direct Debit on 25 February 2025 with a payment due date of 10 March 2025.

On 14 February 2025 Mr S received two refunds to his account totalling £830. Mr S telephoned AESEL to request that the amount taken by Direct Debit was reduced by £830. AESEL refused.

Mr S raised a complaint with AESEL.

AESEL didn't uphold the complaint. In its final response it said that once a monthly statement had been generated, the Direct Debit collection amount couldn't be adjusted if refunds were received afterwards.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said there was no evidence that AESEL had done anything wrong.

Mr S didn't agree. He said he thought that AESEL should treat a refund the same as a credit and adjust his Direct Debit accordingly. Mr S also said he thought AESEL took his Direct Debit payment too soon before the payment due date and he wanted it taken 3 days before the payment due date.

Because Mr S didn't agree I've been asked to review the complaint.

## **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 know it will disappoint Mr S, but I agree with the investigators opinion. I'll explain why.

Mr S has set up his Direct Debit to pay the statement balance in full each month.

I've reviewed the February 2025 statement. This shows a balance of £3154.62. the Direct Debit was set to collect on 25 February 2025 with a payment due date of 10 March 2025.

It's not in dispute that Mr S received two refunds to his account after the date when the statement had been generated.

AESEL's position is that it can't adjust the Direct Debit for refunds received after the statement has been generated.

I've reviewed the statement. This states that the payment amount may be adjusted in response to payments or credits received up to 4 days before the Direct Debit due date.

This service asked AESEL why refunds weren't treated as credits. AESEL said that merchant refunds weren't classed as credits. It said that a credit was where AESEL applied a credit to the account or where the account holder makes a payment to the account.

I've thought about what AESEL has said, and I'm satisfied that the process is in line with other credit card providers. Money refunded to a credit card account isn't considered to be a payment or partial payment towards the balance.

Because AESEL has applied its process correctly, I'm unable to say that it has made an error or treated Mr S unfairly when it refused to adjust the Direct Debit.

Mr S has said that AESEL collect his Direct Debit too soon before the payment due date. This didn't form part of Mr S's original complaint, so I'm unable to comment in detail. I agree with the investigator when he says that its not unusual for lenders to collect direct debit payments earlier than the payment due date to make sure the payment is received and cleared in time.

### **My final decision**

My final decision is that I don't uphold the complaint.

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

Emma Davy  
**Ombudsman**