

The complaint

Mr S complains that AMERICAN EXPRESS SERVICES EUROPE LIMITED ("AESEL") didn't handle his chargeback request properly.

What happened

Mr S booked a five day stay at an overseas hotel in September 2024 at a cost of €2,473.09. Subsequently, this was paid for using another credit card. On arrival Mr S gave the hotel his AESEL credit card and he was offered an upgrade. He says he was told it would cost €300. However, subsequently was charged some €300 a night. He also incurred two other charges, one for £273.90 which he believes to have been a security deposit and another for £23.47.

Mr S contacted the hotel and sought his money back. He had a number of exchanges via WhatsApp. One of these said: *"I wanted to inform you that we have successfully processed your refund, and the amount has been credited to your original payment method. Additionally, we have applied a discount to your reservation as agreed. The revised total reflects this adjustment, and you should see both the refund and the discount in your account shortly."*

No refund was received and Mr S contacted AESEL and raised three disputes one for each transaction. In her written opinion our investigator has set out in some detail the exchanges between Mr S and AESEL and in the interest of brevity I will include a short summary in this decision.

AESEL asked for additional information as it didn't consider it had enough to raise a chargeback. Mr S provided the WhatsApp exchanges and some emails. AESEL made the chargeback and the merchant challenged it. The merchant provided the paperwork relating to the charges and AESEL told Mr S there was no basis for taking the matter further without further evidence. It also said that it didn't consider WhatsApp message to be reliable evidence.

The process took some time and Mr S made numerous calls to AESEL. After his chargeback did not succeed, Mr S complained. AESEL said it had not done anything wrong in its handling of the chargeback, but its customer service had fallen below acceptable levels and it credited his account with compensation of £250.

Mr S brought a complaint to this service and it was considered by one of our investigators who didn't recommend it be upheld. She said the WhatsApp messages were evidence, but they did not make clear what had been agreed and so they were not sufficient to allow AESEL to take it further. She agreed that there had been service failings and thought the compensation paid by AESEL was fair. She noted AESEL had not considered section 75 Consumer Credit Act 1974 ("s.75"). However, she didn't believe there was sufficient evidence to allow a successful claim.

Mr S didn't agree and while he said he accepted he had had the benefit of the upgrade he believed he should be refunded his deposit.

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 complaint is about AESEL's handling of the chargeback and not the actions or behaviour of the merchant. Quite simply the question is did it deal with Mr S' request fairly and reasonably.

As our investigator noted, chargebacks are subject to the rules set out by the relevant card scheme whose logo appears on the card. The card schemes are not within the jurisdiction of the Financial Ombudsman Service and we are unable to require them to run their chargeback schemes in a particular way. However, we can consider whether a card issuer has applied the rules correctly and conducted the chargeback process in a competent manner.

A consumer cannot insist on their card company attempting a chargeback, but I would expect it to attempt one, as a matter of good practice, if there was a reasonable prospect of succeeding and to do so would be compliant with the rules of the card scheme.

AESEL accepted there was a possibility of a successful chargeback being made and so it took the evidence Mr S provided and made one. The merchant didn't agree and pushed back. It provided the relevant paperwork in support of its position. AESEL does not have the power to ignore the push back. It could, in effect, take an appeal to the card scheme. Such appeals are relatively rare and AESEL would usually expect additional supporting evidence before taking such action.

I appreciate Mr S believes he was told a price for the upgrade which he took to be for the whole stay, but it was per night. The paperwork from the hotel, which appears to be an invoice shows an upgrade charge of €1,304 for the nights 4 to 7 September. This is the sum of £1,138.83 which was charged to his AESEL account. A second document shows a charge of €315 for the upgrade on 8 September. I believe this to be the sum in the AESEL account of £273. Both of these documents show discounts. I cannot see what the sum of £23.47 was for.

So it appears that the two largest sums were of the upgrade after discounts were applied. It may be this is what the WhatsApp messages were referring to, but they are so vague it is impossible to say what refund if any may have been offered by the hotel.

There has been some confusion by AESEL in its handling of the dispute and there was a lack of clarity over the nature of the payments. I can see that this caused Mr S some distress and he took one call to mean his claim would be successful. AESEL also offered to call him back on several occasions and failed to do so. Overall, I agree that there were service failings and I think the sum paid by AESL is far recompense. However, I do not think it need do anymore.

My final decision

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 S to accept or reject my decision before 13 August 2025.

Ivor Graham

Ombudsman