

The complaint

Mr A complains that a flight he booked for himself and his family was cancelled. He says that, because he paid using his Amex credit card, it should provide him with a refund or suitable compensation.

What happened

In January 2024 Mr A booked a trip for himself and his family in March and April of the same year. They were to fly from Birmingham to Istanbul; from Istanbul to Madinah; and from Jeddah to Birmingham via Doha. The total cost of the flights was £4,396.75. Mr A made eight payments totalling that amount, all on 24 January 2024, using his Amex credit card. It appears that they were all made to one of two companies trading under the Opodo brand.

Each of the three elements of the trip were with different airlines. The second flight, from Istanbul to Madinah, was with an airline which I'll call "F".

F contacted Mr A on 6 March 2024 to say that the flight from Istanbul to Madinah on 26 March 2024 had been cancelled. It provided a link inviting Mr A to reschedule or ask for a refund. He says he was unable to get the link to work. He contacted Opodo the same day to try to resolve matters but was unable to do so. He later contacted F, but again was not able to arrange a suitable different flight.

On 19 March 2024 Mr A bought replacement tickets from Istanbul to Madinah with a different airline at a cost of £1,123.99.

Immediately on his return to the UK, Mr A contacted Amex to make a claim. He said that the services he had paid for had not been provided. Amex raised a chargeback under its own scheme against Opodo – the business which had taken the payments.

Opodo defended the claim and provided documents which it said showed that the flight was non-refundable. Amex therefore re-applied the amount in dispute. (For the sake of completeness, I note that Amex considered chargebacks in respect of all eight payments, but I shall discuss only the payment which relates to the flight which F cancelled.)

Mr A referred the matter to this service, where one of our investigators considered what had happened. She did not recommend that Mr A's complaint be upheld. She noted that, as well as saying that flights were non-refundable, Opodo's terms also said that, when a customer makes a flight booking, the contract is between the airline and the passenger; Opodo is not responsible for any problems with the flight.

Mr A did not accept the investigator's view and asked that an ombudsman review the case.

I did that and, because I thought it likely I would reach a different conclusion from that reached by the investigator, I issued a provisional decision, in which I said:

I do not believe there can be any real dispute about the key issues of fact in this case. F cancelled its flight. It said it would provide Mr A with an alternative flight or a refund. He received neither. The issue I must decide is therefore whether Mr A can seek a refund or some other remedy from Amex.

Chargeback is generally available where a customer has used a debit or credit card to pay for goods or services which have not been received.

In this case, Opodo defended the chargeback request on the grounds that the flight tickets which Mr A bought were non-refundable. But that meant that he could not cancel them and seek a refund; it did not, in my view, give F the right to cancel the flight and keep the money. Indeed, its original notification of the cancellation indicated that Mr A had the option of booking himself and his family on a different flight or of a refund. And, whilst the precise rules may vary from country to country, airlines are generally required to offer an alternative or a refund if they have to cancel a flight.

In my view, Amex should not have accepted Opodo's defence that the tickets were non-refundable. It was not relevant where the airline had cancelled the flight.

I turn therefore to the argument that Mr A's contract for travel was with F, not with Opodo. I can see that this might be relevant to a claim made under section 75 of the Consumer Credit Act 1974, which generally requires there to be a direct link between the supplier of goods or services and the credit card provider. But in this case Amex was considering Mr A's claim under its chargeback scheme. Where a chargeback claim is made, it does not generally matter that payment was made to an agent of the supplier of the goods or services.

In my view, Amex should have upheld Mr A's request for a chargeback. I must therefore consider how it should put things right.

As I have indicated, Mr A made eight payments for the full trip for him and his family. They did not exactly match the different flights he booked. However, the booking confirmation attributed £982.45 to the flight from Istanbul, and there was a single payment for that sum. A fair resolution would therefore be for Amex to refund that sum to Mr A's credit card account. It should backdate the refund, so that any Mr R is also reimbursed for any interest and charges that may have resulted.

As I have indicated, I don't believe that Amex should have accepted without challenge Opodo's argument that F was entitled to cancel Mr A's flight and keep his money. As a result, he has been put to some inconvenience for which he should be compensated. I propose a figure of £200.

Amex acknowledged receipt of my provisional decision, but did not say if it accepted my findings. Mr A said that he thought a fair resolution would be for him to receive the amount he had paid for replacement flights, £1,123.99, not simply a refund of the cancelled flight. He noted as well that Opodo had not explained how it allocated the sum of £982.45 to the cancelled flight, since he had made a single payment for all the flights. He also thought that compensation of £200 did not adequately reflect the distress he had suffered or the inconvenience to which he had been put.

I have therefore reviewed the case for a final time.

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 shall deal first with the appropriate level of any refund. Even if Mr A receives a refund of the cost of the cancelled flight, he will remain out of pocket, because he has had to pay more for a replacement flight. So, I can understand why he feels a refund does not go far enough.

Had Mr A been able to use the airline's link to request a refund, he would have received a refund of what the airline had been paid. It's possible that any fee taken by Opodo would have been deducted, so he may have received slightly less than £982.45. Where an airline cancels a flight, its obligation to the passenger is usually to arrange an alternative flight or to provide a refund – not to provide compensation of the cost of a replacement flight.

It's important too to note that my award in this case is based on my view that Amex should have processed a chargeback in Mr A's favour. That is not quite the same as placing him in the position he would have been in if the flight had not been cancelled. Under chargeback, the usual remedy where goods or services are not supplied is to provide a full refund, and I think that's a fair outcome here.

I note also Mr A's comments about the allocation of part of the price to one leg of the journey. As I have indicated, the payments which appear on Mr A's credit card statement do not exactly match the flights booked, but the booking confirmation attributed £982.45 to the cancelled flight. Since part of Opodo's role was to pay the airlines, I have no reason to doubt that this sum was properly attributed.

I also note Mr A's comments about the further £200 I proposed be awarded. I do not doubt that he was put to significant inconvenience by the cancellation and then by the fact that it was not possible to re-book through the airline or to obtain a refund. As I have explained, I agree that Opodo's argument that the flight was not refundable was unhelpful. But I have no power to make an award in respect of the actions of the airline or of Opodo. I must consider the extent to which Amex has contributed to Mr A's distress and inconvenience; having considered the matter carefully, I remain of the view that £200 is an appropriate and fair sum.

My final decision

For these reasons, my provisional decision is that, to resolve Mr A's complaint in full, American Express Services Europe Limited should:

- refund the payment of £982.45 made on 24 January 2024, backdating the payment to that date; and
- pay Mr A a further £200 in recognition of the inconvenience to which he has been put and the distress he has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 August 2025.

Mike Ingram
Ombudsman