

The complaint

Mr A complains that American Express Payment Services Limited (“AEPSL”) didn’t properly pursue a chargeback.

What happened

On 1 and 2 November 2023 Mr A booked flights directly with an airline for his family. He paid a total of £572.90 using his AEPSL credit card. The flights were to depart on 19 August 2024, returning on 1 September 2024.

Mr A has told us that he asked the airline to amend his flights for a departure on 15 August 2024 returning on 29 August 2024. Recently he has explained that he initially tried to do this by phone. He says during one call he was told he would not have to pay any additional fees but the call dropped off before this was concluded. In a further call he was told he would have to pay a fee of £340. He was told that there was no record of him being offered a change at no cost. In the course of his contacts with the airline he was made different offers to amend the flights with different charges being given. The latest seems to have been 3 July when he was told it would cost £1,010 to make the alterations.

He emailed the airline explaining the position and said: “I therefore request as a goodwill gesture, if you can make this change for me at no extra cost”. In July 2024 Mr A was sent an email by the airline with changed flights. On the morning of his departure the airline emailed him to say he would be charged £823.15 for the amendments.

When Mr A and his family arrived early on 15 August 2024 for their flight, he was informed that his ticket didn’t exist and he was asked to pay for amendments which he did, totalling £1,219.85. He did so, as he didn’t want to miss the flight.

The charges applied were as follows.

15 August 2024	£220.51
15 August 2024	£217.51
15 August 2024	£340.51
15 August 2024	£20.81
15 August 2024	£220.51
15 August 2024	4 charges of £50.

After he got back from his trip Mr A contacted AEPSL and asked that it obtain a refund. AEPSL raised a chargeback for the full amount and the airline defended all but two of the claims. Mr A complained and AEPSL accepted it had made errors in the handling of his claim. It confirmed that his account would be credited with £340.51 and it offered him a goodwill payment of £100. Mr A pushed back and AEPSL agreed to write off £20.81 on de minimis grounds. Mr A also raised a chargeback request for a car hire charge of £53.72

which was overlooked by AEPSL.

Mr A bought a complaint to this service where it was considered by one of our investigators who recommended it be upheld in part. She said that it was reasonable that he pay additional fees to make the change and she thought the sum set out in the email of 15 August was reasonable. As such she felt ESEL should refund an additional £35.68 plus £53.72 for the overlooked chargeback request plus interest.

Mr A didn't agree and said that the airline had issued the revised tickets without mentioning an additional charge. In each of his calls he had refused to accept any additional charges. He said the issue of the tickets showed the airline had agreed to his request. He also disputed how our investigator had calculated the refund she thought due.

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 want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr A that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I asked Mr A and AEPSL if it could establish what the airline had said in response to Mr A's complaint to it. Mr A made a subject access request and obtained some information. I wanted to try and understand why the revised tickets had been issued without a charge being made at the same time. Regrettably this has not been made clear.

I appreciate Mr A wanted to make the change in the booking without paying a further sum, but this is not what the airline offers. Depending on the type of ticket it applies different charges for changing the dates. I think Mr A was told this on various occasions, but didn't wish to accept that. He says that he was offered a change free of charge on one occasion, but this was not confirmed as the call dropped off. However, I believe it was made clear to him that a charge would apply. That charge varied depending on the time the change was made.

The final amount he was offered was £823.15. I recognise Mr A was not told this until the morning of the flight and that is regrettable. It has not been possible to find out why this was done, but it was sent to him and I think it is reasonable to conclude that was the price he should have paid for the alterations.

There were two routes for Mr A to obtain a refund, a chargeback or a claim under section 75 Consumer Credit Act 1974 ("s.75").

Chargeback is a voluntary scheme run by the card scheme operator to process settlement disputes between the card issuer (such as AEPSL) – on behalf of the cardholder (Mr A) – and the merchant (here it's the airline). It is not a legal right that the cardholder has.

The scheme operator sets the chargeback rules and time limits for transactions made using the card scheme. And it is the scheme operator that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

AEPSL raised the chargeback and while its handling of that was less than perfect it did as Mr A requested. The airline defended all but two of the claims and I can understand why AEPSL concluded there was no merit in taking it further. If it had gone to an appeal, I doubt that it would have been successful. So, I cannot say it did anything materially wrong.

The second route was via a s.75 claim. This legislation offers protection to customers who use certain types of credit to make purchases of goods or services. Under s. 75 the consumer has an equal right to claim against the provider of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part. For s. 75 to apply, the law effectively says that there has to be a

- Debtor-creditor-supplier agreement and
- A clear breach of contract or misrepresentation by the supplier in the chain.

I cannot safely conclude there was either misrepresentation or a breach of contract. Mr A was told on multiple occasions he would have to pay a fee for making the change he wanted. The sum was not provided to him until the morning of departure, but I cannot say that Mr A was told the changes would be free. He and his family took the flight and so the service was provided. While he may have hoped he would get it for no extra charge I cannot say that the airline misrepresented what it would provide and that he would have to pay for it. The fact the revised tickets were issued before a charge was notified does not amount to misrepresentation. I think Mr A was aware of that since he asked for a goodwill gesture rather than a contractual agreement.

As for the remedy I think our investigator was right. Overall, the sum Mr A was due to pay was £823.15. However, the airline charged him £1,219.85, presumably due to it being paid at the last minute. AEPSL managed to recover £361.02 and so he is due a further £35.68. I appreciate Mr A says the refund of £361.02 is separate and should not be taken into account, but I disagree. I also think he is entitled to a refund for the overlooked hire car chargeback.

Finally I consider the sum of £100 paid by AEPSL for its handling of the chargeback is fair and reasonable.

Putting things right

AEPSL should refund to Mr A the following:

- £35.68 which is the difference between what he should have been charged, £823.15 and £1,219.85 which he was charged minus what he has already been refunded £361.02.
- £53.72 refund for the overlooked chargeback dispute.
- Pay 8% simple annual interest on refunds from date dispute should have been settled i.e. October 2024 until settlement.

My final decision

My final decision is that I uphold this complaint and I direct American Express Payment Services Limited to refund Mr A as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 November 2025.

Ivor Graham
Ombudsman