

The complaint

Mr J complains American Express Services Europe Limited (AESEL) should have done more to recover money he paid for a cancelled subscription service.

What happened

I issued my provisional decision on 7 July 2025. An extract from that decision can be found below.

Both sides already know the facts, so I've only briefly summarised the key events below.

On around 10 May 2024, Mr J paid £120 with his AESEL credit card to an online supplier (which I'll call "S") for a subscription for smart-home software.

The service was later cancelled. And on 10 July 2024, S emailed Mr J offering £99.84 as a pro-rata refund for the unused portion of the service. Mr J accepted the refund but it never arrived, so he asked AESEL for help recovering it.

AESEL raised a chargeback for about £95 in early August 2024. S defended the claim, and provided proof it already refunded Mr J £74.84.

According to AESEL, the reason S had refunded £74.84 instead of £99.84 is because Mr J raised an earlier chargeback for the same transaction for £25 in May 2024 – meaning he was only due a further £74.84 to achieve a full refund. As that amount had been paid, AESEL considered Mr J to have been paid in full, and so discontinued the claim.

Mr J disagreed. He said the £25 chargeback raised in May 2024 was for a different transaction – and should not have been offset against his £99.84 refund.

As Mr J still feels he's £25 short, the complaint has come to me for a decision.

What I've provisionally 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I'd like to assure both parties I've considered everything they've sent, including Mr J's further submissions following our investigator's assessment.

I think it's worth clarifying that I'm deciding whether AESEL acted fairly in assisting Mr J with his dispute against S. I'm not making a finding on the underlying dispute Mr J has with S. AESEL didn't supply the service, so when considering what's fair and reasonable, I'm only considering whether AESEL acted in line with its obligations as a financial services provider.

As Mr J used his credit card to pay S, I need to consider how AESEL could have reasonably assisted him through the protections offered by the chargeback process and section 75 Consumer Credit Act (CCA).

Chargeback

When someone buys something with their credit card, and it goes wrong, the card issuer can sometimes help them obtain a refund by raising a chargeback on their behalf. The issuer isn't obligated to do this, but I'd expect it to try if the chargeback claim is likely to succeed.

The chargeback rules are set by the relevant card scheme – in this case American Express. These rules contain conditions that must be met for a successful claim. I'd expect a card issuer like AESEL to apply the rules correctly and conduct the chargeback process fairly.

AESEL raised a chargeback based on the reason code relating to cancelled services, for the £95 Mr J had put in a claim for. I think the choice of reason code was appropriate given Mr J's claim was based on S' failure to refund him following the subscription's cancellation.

The key question here is whether the £25 chargeback AESEL raised in May 2024 related to the same May 2024 transaction for which S had refunded Mr J £74.84, or to a 2023 transaction for promised store credit. If it's the former, then Mr J would have received a full refund of the £99.84 S had offered. But if it's the latter, Mr J is £25 short.

Mr J said the £25 chargeback claim in May 2024 was for £25 store credit S promised him in October 2023. He provided an email from S dated 20 October 2023 in support, confirming it agreed to pay him £25 store credit in compensation for failing to renew his subscription at the time. AESEL suggested Mr J asked to raise the £25 chargeback against the May 2024 transaction, but provided no supporting records, such as the chargeback file.

I'm more persuaded by Mr J's account because I haven't seen any other good reason for why he would otherwise raise a £25 chargeback claim in May 2024.

However, I think it's likely AESEL submitted Mr J's claim against the £120 transaction in May 2024, despite Mr J's requests. I say that because (1) the store-credit claim doesn't fit the chargeback scheme's dispute categories, and (2) given how long that's passed, such a claim would have likely been time-barred. So the fact the claim was successfully raised suggests AESEL probably raised it against the recent 10 May 2024 transaction instead.

So Mr J hasn't lost out on any money. He may still feel out of pocket regarding the October 2023 store credit, but even if AESEL had tried to claim that amount, such a claim would have probably failed. So overall, I think he was only due back £99.84 in total — an amount he has already received.

Customer service

However, clearly there's been a significant amount of miscommunication over what transaction the £25 chargeback in May 2024 relates to. And I don't think the onus was on Mr J to evidence further he raised the £25 chargeback against a transaction in 2023, but on AESEL to show Mr J had asked it to raise the chargeback against the May 2024 transaction. But it hasn't done this, prolonging the confusion and misunderstanding.

I'm aware there were also other service issues in raising various chargeback claims that AESEL has already provided compensation for — for example, multiple disputes were set up, which only served to cause confusion. But I find AESEL had also failed to provide a sufficient explanation to Mr J for why or how the £25 transaction in May 2024 was raised.

And by not doing so, it's caused Mr J additional distress and inconvenience. For the impact this all had on Mr J, I'm recommending AESEL pay him £50.

£25 store credit offered in October 2023

I make no finding on the merits of any section 75 claim for the £25 of store credit S offered him in October 2023, as it's beyond the scope of this complaint.

Mr J might feel he has a legitimate claim under section 75 if, for example, he thinks there's been a misrepresentation or breach of contract in 2023 that qualifies him for a refund — but it's for him to raise this with AESEL and to provide evidence in support of such a claim.

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.

As neither Mr J or AESEL responded to my provisional decision by the deadline, I see no reason why I should depart from my provisional findings.

My final decision

For the reasons previously given, my final decision is that I uphold this complaint and direct American Express Services Europe Limited to:

- Pay Mr J £50 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 August 2025.

Alex Watts
Ombudsman