

The complaint

Miss M complains American Express Services Europe Limited (“American Express”) didn’t do enough to help get a refund for a transaction made on her credit card.

What happened

In October 2023, Miss M bought a beauty product online from a company I’ll call “H”, paying with her American Express credit card. Miss M says when the product arrived, it had leaked into the packaging. Having contacted H for a refund, Miss M was asked to return the product.

Having returned the product, H didn’t agree it had leaked, or that a refund was due. Miss M therefore contacted American Express for help.

American Express raised a chargeback, which is a means of asking H for a refund via rules set by the card scheme provider, which in this case is also American Express.

H didn’t agree a refund was due, it said the packaging of the product didn’t support there had been a leak, rather it implied the product had been used. Having considered all the information, American Express closed the dispute in H’s favour, meaning Miss M didn’t receive a refund.

Miss M complained. She was unhappy with the outcome of her chargeback claim and the service American Express had provided. She said communications had been poor throughout the process, with her dispute being closed without a clear explanation.

American Express said it correctly raised Miss M’s chargeback, however, did acknowledge it may have caused some inconvenience and paid £25 to apologise for this.

Miss M remained unhappy and referred her complaint to our service. I shared my provisional findings on Miss M’s complaint in July 2025, which I’ve included below.

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I'm looking here at the actions of American Express and whether it acted fairly and reasonably in the way it handled Miss M's requests for help in getting her money back.

As Miss M paid on her credit card, there are two options through which American Express may have been able, to provide a refund, be that through a chargeback or a claim under Section 75. I've therefore considered whether I think American Express acted fairly in relation to both processes.

Chargeback

The chargeback process provides a way for a card issuer (American Express) to ask for a payment its customer made to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

American Express raised the chargeback on behalf of Miss M. H provided a defence, which is to say it didn't agree a refund was due. So, my decision focuses on whether American Express acted reasonably in the steps it took after receiving the defence.

H's defence was that it had inspected the beauty product and hadn't found any evidence of damage or a leak. It therefore said no fault had been found and the item wasn't returnable, rather it said the product appeared to have been used. So, it didn't agree a refund was due.

Taking H's defence into consideration against the card scheme rules, American Express decided not to challenge Miss M's chargeback further. It said the documentation supported that H had correctly provided the product and there wasn't enough evidence to show it was damaged.

While I appreciate Miss M strongly disagrees with this, I think American Express was reasonable in its decision not to challenge the chargeback further. To do so, it would need clear evidence the beauty product was damaged or had leaked, and from the evidence available, I don't think it had enough to be satisfied that was the case.

Miss M also raised concerns about how American Express handled her chargeback claim. I note there's a question over when Miss M first raised the chargeback and whether this was November or December 2023. From the information available, I understand H declined Miss

M's request for a refund on 14 December 2023. So, I think it's most likely Miss M contacted American Express to raise a chargeback after this, having received H's answer.

American Express has recognised the service it provided could have been better and paid £25 to apologise for this. While it's unfortunate things didn't go as smoothly as they could, I haven't found American Express' handling of the chargeback impacted the outcome, for the reasons set out above, I think American Express was reasonable not to challenge the chargeback further having received H's defence. Therefore, in the circumstances I do think American Express' offer was reasonable to acknowledge any inconvenience that may have been caused.

Section 75

It's evident from Miss M's dispute that she was asking for help in getting a refund for her purchase. A way in which Miss M may have been able to achieve a refund is via a claim under Section 75. It's unclear why American Express didn't consider such a claim, so I've considered below whether it's failure to do this, caused Miss M a loss.

Section 75, says that, in certain circumstances, if Miss M paid for goods or services, in part or wholly on her American Express credit card, and there was a breach of contract or misrepresentation by the merchant, American Express can be held jointly responsible.

There are conditions that need to be met for Section 75 to apply. One of these is that there needs to be a 'debtor-creditor-supplier' (DCS) agreement in place between the parties to the transaction. Another is that the item purchased must fall within set financial limits. I'm satisfied Miss M's claim, meets the necessary requirements.

Has there been a misrepresentation or breach of contract?

To say there had been a misrepresentation, I'd need to be satisfied that a false statement of fact induced Miss M to buy the beauty product. However, I haven't seen anything to say this was the case, rather Miss M's dispute is that the product arrived damaged.

The Consumer Rights Act 2015 ("CRA"), which is relevant to this complaint sets out that there's an implied term in Miss M's contract with H, that the goods she receives must be of satisfactory quality. So, Miss M's claim that the beauty product arrived damaged, could imply H had breached the contract.

However, had American Express considered whether it was liable under Section 75, I think it's likely to have concluded there wasn't enough evidence to show a breach had occurred, meaning it wouldn't have refunded Miss M. I've explained below why I think this.

Miss M says the product was damaged when delivered, meaning it was unusable. However, H had already set out in its defence to the chargeback, that it didn't agree the product was damaged or had leaked, rather it said it was likely the product had been used before being returned.

I note Miss M has questioned how H analysed the product and what methodology was used such as whether it was reviewed by an impartial laboratory. I've taken on board Miss M's comments, however, when considering American Express' obligations under Section 75, in the first instance, it would be for Miss M to provide compelling evidence that there was a breach of contract, rather than for H, or in turn American Express to prove otherwise.

So, while Miss M has explained what may have happened to the product, I don't think there was compelling evidence to demonstrate this. And it's not for me to say what happened with the beauty product, rather consider whether American Express would have found itself liable under Section 75.

For the reasons explained above, had American Express considered a claim under Section 75 on behalf of Miss M, I don't think it would have agreed it was liable to provide a refund. I say this as I don't think there's sufficient evidence to show that there had been a breach of contract or misrepresentation..

Conclusion

In conclusion, while I appreciate this answer will likely come as a disappointment to Miss M, I don't think American Express needs to do anything further in relation to her request for a refund.

For the reasons explained above, I think American Express fairly raised a chargeback dispute on her behalf and while the service it provided could have been better, I haven't found this impacted the outcome, so its offer of £25 compensation was fair.

While American Express didn't consider a claim under Section 75, I haven't found this to have caused a loss to Miss M, as I don't think there was sufficient evidence to say a breach of contract had occurred to mean American Express was liable to provide a refund.

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.

Neither party provided a response to my provisional decision. As there are no further comments for me to consider, I therefore see no reason to change the conclusions I'd reached in my provisional decision above.

As a result, while I appreciate this answer will come as a disappointment to Miss M, I won't be asking American Express to do anything further in relation to this complaint.

I think American Express was fair raising a chargeback and not progressing this further having received a defence from H, for the reasons explained above. American Express £25 to acknowledge the service it provided could have been better which I think is reasonable. And while American Express didn't consider a claim under Section 75, I don't think this would have seen Miss M achieve a refund, again for the reasons I've explained above.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 8 September 2025.

Christopher Convery
Ombudsman