DRN-5762593

The complaint

Mr L complains about the way American Express Services Limited handled his claim for a refund when he returned goods bought using its credit card.

What happened

In November 2023 Mr L bought a jacket online from a retailer, H, using his Amex credit card. He paid £775 and the jacket was delivered the following day. H's terms of sale allowed customers to return goods within 14 days, as long as they were returned in their original packaging and were unused.

Mr L says the jacket did not fit, and so he returned it. However, H said that the jacket had been worn, so it did not agree to a refund; instead, it sent the jacket back to Mr L. Mr L says he returned it for a second time, but still received no refund. The jacket was kept by H.

Mr L raised a dispute with Amex in January 2024. Amex says that it asked Mr L for evidence to support his claim. He says he provided it, but Amex says it wasn't received. It closed the claim.

Finally, Amex said it would close the claim without raising it with H because it was too late to seek a refund, although it later did raise the matter with H. Mr L did not, however, receive a refund and so referred the matter to this service.

Mr L says he has provided everything that Amex has asked for and that it should therefore have provided him with a refund.

One of our investigators considered what had happened but did not recommend that Mr L's complaint be upheld. She concluded, in summary: it did not appear that Mr L had provided evidence to support his claim until August 2024, which was outside the relevant time limit; there was not enough evidence to support a claim under section 75 of the Consumer Credit Act 1975 ("section 75").

Mr L did not accept the investigator's initial assessment and asked that an ombudsman review the case.

I did that and issued a provisional decision, in which I said:

There are in this case two possible reasons why Mr L might have a claim against Amex – under its chargeback scheme and under section 75. I'll consider each in turn.

Chargeback is a scheme under which certain card payment disputes can be resolved. Because of the way in which Amex operates, it runs its own scheme which binds both card holders and merchants – both of which are customers of Amex. It can be appropriate for resolving disputes where goods have been paid for but not received and where a refund has been agreed but not paid. Either or both might be relevant in this case.

However, Amex sets out strict time limits for bringing a chargeback claim, usually 120 days after the payment. Mr L raised his claim within that timeframe, but it was not supported by any evidence until some months later.

I think it was reasonable of Amex not to consider the claim in full until Mr L had provided evidence to support it. It had told Mr L in general terms what he needed to provide, but I don't believe it was in a position to be any more specific than it was. It was, after all, Mr L who knew the nature of his dispute with H and what evidence he had to support his claim.

By the time Mr L did provide evidence that he had returned the goods to H, I agree that it was beyond the 120-day limit for making a chargeback claim. In my view, it was reasonable of Amex not to make a refund under its chargeback scheme.

Amex says that it did not consider whether Mr L could successfully bring a claim under section 75. In my view it should have done, so that it could either pay that claim or explain to Mr L why it was declining the claim.

The investigator, however, expressed the view that it was unlikely a claim would succeed, based on the evidence currently available.

Under section 75, a card holder who has paid for goods or services with a credit card and who has a claim for breach of contract against a supplier can bring that claim against the card issuer. Certain conditions apply, but it appears they are met here.

Mr L's contract with L allowed him to return unused items with their original packaging within 14 days to receive a full refund.

Mr L has provided evidence that he sent a package to H on the day his jacket was delivered. The return label was addressed to H's returns department in the UK and indicated the weight of the package was 4.8kg.

H says the jacket was not in its original condition when Mr L returned it. I have however seen no evidence of what H returned – in particular, its condition.

Mr L says he returned the jacket for a second time, although he does not suggest that H agreed to that. In fact, it seems it didn't agree, since it believed the jacket had been worn. I do note, however, that the second return label appears to be to an address in Germany, not the usual returns address for H. And I note as well that the weight recorded on the copy waybill which Mr L has provided is only 0.7kg, very much less than the first return. Mr L may wish to provide further evidence on this issue in reply to this provisional decision. On the basis of what I have seen to date, however, I do not believe I can safely conclude that Mr L returned the jacket in accordance with H's returns policy.

Finally, Mr L complains about the way in which Amex handled his claims. He says that it was responsible for the delays. Amex accepts that it did provide some incorrect information, and it's paid some modest compensation for that. Having listened to all the call recordings I have been provided with, however, I don't agree with Mr L's view that agents were being obstructive or were responsible for unreasonable delays.

I said that I was unlikely to uphold the claim and invited further submissions. I have not received any additional evidence or arguments. I have therefore reviewed the case again before issuing this final decision.

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 I have received no further information or arguments following my provisional decision, I see no good reason to change my conclusions. I stress however that I have fully reviewed the case file before reaching that conclusion.

My final decision

For these reasons, my final decision is that I do not uphold Mr L’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 24 September 2025.
Mike Ingram
Ombudsman