

The complaint

R is unhappy with how American Express Services Europe Limited (AESEL) handled a refund claim.

What happened

R took out a six month contract with a software supplier I shall call 'T' in May 2024 on their AESEL Platinum Business Card (which is a charge card). However, the subscription then auto renewed in November 2024 to the sum of £1,648.80 for another six month subscription.

R subsequently attempted to cancel in December 2024 but was told this was outside the cancellation period. R said that the original subscription had been monthly and so it would've only agreed to a renewal on those terms. As T declined to cancel the subscription, R then contacted AESEL to raise a chargeback claim against T.

AESEL raised a chargeback claim but after considering T's further submissions they declined to progress it further as they didn't think there was a reasonable prospect of success. AESEL said T's terms and conditions were clear and R hadn't provided their cancellation request in time.

R didn't agree and said that the renewal hadn't occurred on the original terms of the contract and they hadn't been notified that it had been due. As AESEL's final response letter of 6 May 2025 remained of the view they hadn't done anything wrong in not progressing their chargeback claim, R referred the matter to this service to consider.

Our investigator considered the evidence available and said there was insufficient evidence that a cancellation request had been made in line with T's terms and conditions. They remained of the position that there wasn't a reasonable prospect of the chargeback claim succeeding had it progressed further.

R remained dissatisfied and therefore asked for an ombudsman to issue a final decision on the matter.

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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that AESEL aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because R paid for this transaction using an AESEL charge card, a chargeback claim could possibly help them. So in deciding what is fair and reasonable I've focused on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case AESEL's own rules). I've considered the relevant chargeback rules in deciding whether AESEL acted fairly.

I've reviewed T's chargeback submission to AESEL and it confirms it to be under chargeback reason code 4513 which is 'Credit Not Presented'. The applicable reason under this code with mind to the circumstances of this complaint would be: *"Card Member cancelled, refused or returned goods and/or services in compliance with the Merchant's policy, but the Credit has not been applied to the Card Member's Account"*

I've therefore considered the evidence available with regard to this chargeback rule and whether AESEL acted fairly when they declined R's claim following the merchant's objection.

Did AESEL act reasonably in declining the chargeback claim?

From the outset I must make it clear that my considerations are limited to the requirements of AESEL's chargeback rules with regard to the relevant evidence. While R has quoted various legislation in their submissions which they consider relevant here, as the purchase was through a AESEL charge card I can only consider whether the chargeback requirements have been met and if sufficient evidence is available for a prospect of success.

In this case it is very clear that the code rules require evidence of compliance with T's cancellation policy. I note the following:

- T's order confirmation of 15 May 2024 stated the product ordered along with the service term and cost, and then said the following below:

"Please notify us in accordance with our terms and conditions if you do not wish your contract to auto renew".

I'm therefore satisfied T made it clear the product would auto renew, confirmed the term end date and that R would need to inform them in advance if they didn't wish this. Therefore it would've been important to review these terms and conditions with regard to these requirements to ensure they were complied with.

- T's terms and conditions state under Section 9 that they'd need to be notified of cancellations of the subscriptions and it explains how this can be done. It also says that the notification needs to be one month prior to the contract expiry date.

In this case R's contract was set to end on 14 November 2024 but the notification to cancel was made in December 2024. I think it was reasonable for R to have been aware of the cancellation terms and conditions and in light of the order confirmation notice that the contract would auto-renew, it doesn't appear the cancellation was made in time.

- T's terms also state that the renewal would occur at the same frequency and price as the original subscription agreed.

I understand this is another point of contention as T said the billing period was 'monthly' in the order confirmation sent to R's email address on 15 May 2024. While I appreciate this and note a subsequent email from T corrected this by stating the billing was an upfront payment, this wouldn't be a point of consideration under this chargeback rule as the 'Credit Not Processed' code doesn't cover disagreements about billing structures or renewal terms.

The only other appropriate code that could apply here is 'Cancellation of Goods / Services' which applies only when the customer cancelled before renewal and was still charged. This wasn't the case here and in any event also wouldn't cover this issue.

In summary, the transaction in this case wasn't unauthorised as T's terms and conditions as well as the order confirmation say there would be an auto-renewal unless notified in time regarding a cancellation request. I've seen insufficient evidence this occurred or that the service wasn't subsequently provided.

So referring to AESEL's reason code requirements, I've seen insufficient evidence the cardholder cancelled in compliance with T's policies and so a refund would be due. As a result I can't say there was a reasonable prospect of success had the claim been taken further.

I note there have been several submissions by R to AESEL to support the chargeback, some of which may have been outside the deadlines provided. Regardless, it looks like AESEL still considered the submitted evidence and still felt there wasn't enough for a successful chargeback claim.

I've considered the relevant evidence and I can't say AESEL did anything wrong in the way they administered the claim with regard to AESEL's chargeback rules and requirements here.

In summary

I know this'll be disappointing to R but it is important to remember that as the transaction was via a charge card, the redress here is limited to chargeback and the relevant card issuer rules. And these are very clear on the requirements for a successful claim. I can't say there is sufficient evidence to show a cancellation requirement was made in time with regard to T's terms and conditions for a refund to be due here.

As I don't think there was a prospect of success had the claim progressed further, I won't be asking AESEL to do anything more.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 24 November 2025.

Viral Patel
Ombudsman