

## **The complaint**

Mr W has complained about how American Express Services Europe Limited (AESEL) handled a refund claim he made.

## **What happened**

Mr W made a transaction on a crowdfunding platform I shall call 'L' in January 2024 on his AESEL credit card. This was for a robot cleaner but this was not subsequently delivered to Mr W by April 2024.

Mr W then contacted AESEL to raise a chargeback claim against L and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against AESEL.

AESEL reviewed the chargeback claim but considered there wasn't a prospect of success following the merchant's submissions. They noted there was no invoice for any purchased goods nor any evidence that the matter had been attempted to be resolved with L. The chargeback claim was therefore declined.

They also considered the S75 claim but didn't think the technical requirements were met here – particularly the requirement of a debtor-creditor-supplier agreement to be in place. In any event AESEL also felt there wasn't a breach of contract as the transaction was to fund a project rather than an agreement for the purchase of goods.

Mr W didn't agree and raised a complaint with AESEL, who in turn provided a final response letter (FRL) on 26 November 2024 confirming their position.

As Mr W remained dissatisfied, he brought his complaint to this service to consider. Our investigator reviewed the available evidence but didn't think AESEL had done anything wrong for the same reasons.

Mr W didn't accept our investigator's position 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 goods 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 Mr W paid for this transaction using an AESEL credit card, both chargeback and a S75 claim could possibly help him. So in deciding what is fair and reasonable I've focussed 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.

The relevant chargeback code here would be 'Goods And Services Not Received'. I've therefore considered the evidence available regarding this chargeback rule and whether AESEL acted fairly when they declined Mr W's claim following the merchant's objection.

AESEL's own scheme rules require a chargeback to be supported by evidence the goods or services weren't received or that the merchant failed to fulfil their obligations. I note L confirmed that the transaction funding the project contributed to it meeting its funding goal. Therefore Mr W's transaction was successfully used for the project as required.

As a result I don't think AESEL did anything wrong here in declining the claim as it didn't meet these requirements and so likely wouldn't have succeeded if it had been progressed further.

### *S75*

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, AESEL would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and a part of that is there needs to be a valid debtor-creditor-supplier agreement in place. This means there needs to be a valid agreement between the 'debtor' who took out the finance and the supplier of the goods or services in dispute.

For this payment, Mr W is the debtor because he used his credit card to facilitate this, AESEL is the creditor because they provided credit to Mr W and the supplier is the party Mr W was expecting to provide the item. But Mr W's payment was made to the crowdfunding platform and not to the supplier.

So there's no direct relationship between AESEL and the supplier – and for that reason Mr W's S75 claim couldn't be considered as it didn't meet this technical requirement.

And in addition the crowdfunding platform had passed his payments to the supplier – as they agreed to do so – so there's been no breach of contract or misrepresentation by them.

Even if there had been a valid debtor-creditor-supplier agreement, I consider it to be clear from the evidence that Mr W was making a crowdfunding investment. And it's the nature of such investments that there is considerable risk that any items ordered may not be received. I'm therefore not persuaded that there has been a breach of contract or misrepresentation here in any event.

I'm aware that Mr W has said he wouldn't have made this transaction if he knew L wouldn't have recovered his funds if the goods weren't fulfilled. I appreciate his position but I'm only considering whether AESEL administered his claims correctly. I've explained why I don't think they could've done more regarding the chargeback and S75 claims.

On the latter, as the technical requirements haven't been met, AESEL wouldn't have been in a position to consider the claim further and as mentioned there doesn't look to be sufficient evidence of a breach of contract here in any event for the reasons stated.

In summary, I find that it wouldn't be fair or reasonable for me to require AESEL to refund Mr W of the payment he made to the crowdfunding platform – or instruct them to take any other action in response to his complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 November 2025.

Viral Patel  
**Ombudsman**