

## **The complaint**

Mr J has complained about the way American Express Services Europe Limited trading as American Express ('Amex') dealt with his claim for consequential losses in relation to a purchase he made using his credit card.

## **What happened**

Mr J purchased flights using his Amex credit card for around £531, from an online travel agent I'll call 'T'. Whilst travelling Mr J said his suitcase was damaged by the airline. Mr J contacted the airline who offered flight vouchers by way of compensation, to be used only on its services. Unhappy with this he went to Amex to ask for help; he asked it to look at a claim under section 75 ('S75') of the Consumer Credit Act 1974 ('CCA'). Specifically, he said that T had breached its contract with him and he had suffered a loss (his suitcase) as a result of this. Amex said that there was no evidence of a breach of contract by T, it had provided the services it agreed to carry out for Mr J. It was the airline who had allegedly done something wrong, and it did not have a relationship with it, so wasn't liable under S75.

Unhappy with Amex's response Mr J came to our service, and an investigator considered things. In summary he said that T had fulfilled its obligations by booking his flights and for arranging for the necessary checked baggage allowance. That the airline was responsible for alleged damage to Mr J's suitcase. As Amex didn't have a contractual relationship with the airline, the Debtor-Creditor-Supplier (DCS) agreement was broken and there wasn't a valid S75 claim.

Mr J disagreed. In summary he said the DCS agreement was intact, he contracted directly with T, and the entire travel service (including the flights) was its responsibility. Therefore, as he believed there had been a breach of this contract and he had suffered a loss (his suitcase), T (and in turn Amex) was responsible for this.

Given Mr J didn't agree, the complaint was progressed to the next stage of our process, an ombudsman's 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.

I'm aware I've summarised the events of the complaint to some degree. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to reassure Mr J and Amex that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

What I need to consider here is whether Amex – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr J's request for getting his money

back for the alleged damaged suitcase. It's important to note that Amex isn't the supplier of services which this dispute centres around.

So, I've thought about the card protections that are available. In situations like this, Amex can consider raising a chargeback or assessing a claim under S75.

## **S75**

S75 is a statutory protection that sets out, in certain circumstances, if Mr J paid for goods and/or services, in part or in whole, on his Amex credit card, and there was a breach of contract or misrepresentation by the supplier, Amex can be held responsible for a like claim.

However, as both Amex and Mr J are aware, there are certain technical criteria that must be met for a S75 claim to be valid. And the one in dispute here is the DCS agreement that needs to be in place between the parties to the transaction.

Here, the parties are Mr J (the debtor), Amex (the creditor), and T (the supplier of the services). Having other parties involved (such as an airline) can impact the agreement. Given the arguments that have been made, I need to determine what services T was responsible for providing within its contract with Mr J.

I've started by looking at T's terms and conditions which form part of the contract for the flights Mr J purchased. Within the terms it sets out that T's role in Mr J's travel arrangements was to firstly assist him in gathering travel information and determining the availability of travel products and services. Then when Mr J had decided which travel products and/or services he wished to purchase, in this case flights, T agreed to book them for Mr J. Issuing him with the relevant tickets and arranging for Mr J to enter a contract of carriage with the airline.

The terms and conditions make it clear that the booking is also subject to the airline's terms and conditions. And it directs customers to look at the airline's website to view them. I appreciate Mr J's argument that he didn't have a contract with the airline. However the terms set out that by agreeing to book with T, he was also agreeing to the airline's terms and conditions, which are for the contract of carriage.

T's terms and conditions don't state that it is responsible for the performance of the flights themselves. That is down to the airline, as set out in the airline's terms and conditions, which T directs customers to look at on the airline's website. Looking through them, they set out that the airline assumes liability where baggage is damaged.

Mr J has argued that the law says T are responsible. However, the scenarios Mr J has mentioned don't match the above role T had in his travel arrangements, so don't appear to be applicable here.

So, on the face of it, it looks like T did what it was contracted to do here, it doesn't look like T was responsible for the performance of the flights. Which would also mean it wasn't responsible for any alleged breaches or consequential losses that occurred in relation to their performance. It therefore follows; I don't think Amex was unfair to say that Mr J's S75 claim isn't valid.

## **Chargeback**

Here it doesn't look like Amex raised a chargeback claim for Mr J. The Amex chargeback rules have conditions that cover the direct payments made on the card, but I can't see they

cover consequential losses. Usually this is something looked at under S75 if the claim is valid. So, I don't think Amex acted unfairly by not raising a chargeback claim for Mr J.

Therefore, to conclude, for the reasons given above, I don't find I have grounds to direct Amex to take further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 May 2026.

Helen Boulton-Agg  
**Ombudsman**