

The complaint

Miss L complains that AMERICAN EXPRESS SERVICES EUROPE LIMITED (“AESEL”) failed to help her recover money she paid to several retailers.

What happened

As the complaint is well-known to Miss L and AESEL, I will only briefly summarise the key points.

Miss L contacted AESEL about several payments she made that she wanted to dispute, some of which were for orders she’d not received, and one of which was for a subscription that she says she cancelled.

Miss L was unhappy AESEL didn’t refund these payments to her using the chargeback method. She was also unhappy that she had to contact some of the retailers herself, who eventually refunded her, but through no assistance from AESEL. And she was unhappy with how AESEL conducted themselves throughout the disputes – in that they failed to offer help when she experienced technical difficulties in submitting her claims and her evidence, and didn’t contact her to discuss these as they had promised.

AESEL ultimately didn’t think they’d handled the disputes unreasonably.

One of our investigators looked at what happened and recommended AESEL pay Miss L £100 for the inconvenience she’d been caused for the technical difficulties she’d encountered, and for AESEL not calling her at her requested time as they had promised. However, he didn’t think AESEL needed to refund the outstanding transactions in dispute or that they needed to take any action in respect of the transactions that Miss L was refunded after she contacted the retailers directly.

Miss L didn’t agree that £100 was a reasonable offer and felt she still had grounds for the remaining amounts in dispute to be refunded to her.

As Miss L wasn’t happy with our investigator’s view, her complaint has been passed to me to decide.

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.

The transactions Miss L has disputed are as follows:

- Payments of £213.49 and £625.69 made to a company I'll call 'E1'.
- Payment of £148.76 made to a company I'll call 'E2'.
- Payment of £92.88 made to a company I'll call 'L'.
- Payment of £29 made to a company I'll call 'C'.

All these payments were made by Miss L using her AESEL charge card. This meant the only likely way AESEL could have helped Miss L was through the chargeback process.

what is a chargeback?

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. What this means here is AESEL can in some circumstances ask for a transaction to be reversed if there's a problem with the goods or services supplied by the merchant that the consumer paid. But the chargeback process doesn't give the consumer legal rights, and it's not guaranteed to result in a refund. It all depends on what the merchant says in response to the request the bank submits.

There first must be a right to apply for a chargeback under the card scheme rules. And I'd consider it to be good practice for AESEL to raise a chargeback if it has a good chance of succeeding. It's important to explain though that chargebacks are based on the card scheme rules. They aren't based on who's right between the cardholder and merchant. Essentially, AESEL should raise the chargeback if appropriate to do so and consider whether any defence given complies with the relevant chargeback rules.

The payment to E1 - £213.49

Miss L raised this dispute on 18 March 2024, for a transaction which took place on 1 November 2023. She says the item she ordered wasn't delivered.

The rules state that a chargeback dispute needs to be raised within 120 days of the transaction processing date or within 120 days of the date the goods were expected to be received. Here, the goods were supposedly delivered on 3 November 2023. So, Miss L had to raise the dispute by 2 March 2024. As the dispute was raised on 18 March 2024, the chargeback was out of time to raise.

I note that Miss L said she was having technical difficulties in raising the dispute. I haven't though seen sufficient evidence this was raised with AESEL before the 2 March 2024 deadline. So, I can't rule out that AESEL might have been able to help Miss L with this in order for the chargeback to be raised in time.

I can see that AESEL sent Miss L a letter on 19 March 2024 saying she was out of time to raise a dispute for this transaction. Having considered the evidence, I haven't seen this was incorrect and so I don't think there was anything more AESEL could do to help with this claim.

The payment to E1 - £625.69

Miss L raised this dispute to AESEL on 24 February 2024 saying the item she ordered wasn't delivered. Following this, AESEL sent Miss L an email which said she hadn't fully completed the dispute form. I can see that Miss L provided supporting documentation to AESEL to support her claim, and I can see she sent a screenshot of the order details which were addressed to a third party (for whom Miss L says she was buying a gift), and screenshots of the delivery confirmation from Royal Mail showing a brown box was delivered on 21 February 2024.

AESEL ultimately raised a chargeback, but E1 defended it saying they were satisfied the parcel had been delivered to the correct address and that Miss L had received the goods. They also received comments from the seller of the goods who said these were sent by Special Delivery meaning the parcel was signed for, and that her post office told her the goods were received and signed for.

AESEL then wrote to Miss L saying they required proof of written communication made with the merchant. Arguably AESEL should have asked for something a bit more specific here. I'm not persuaded though this would have made a difference to the outcome of the chargeback.

I say this noting that Miss L has sent us a copy of the chat history she had with the seller. The seller said the parcel containing the order was sent in a pink mailing bag and that the Royal Mail must have ticked off the wrong tracking number as delivered when the brown box was delivered. I think, had Miss L provided this evidence to AESEL, it could have been used to challenge E1 further as the parcel the seller sent didn't match what Royal Mail said was delivered. I've also seen that the parcel on the brown box was addressed to Miss L whereas the order for the goods was to be delivered to the third party.

It's quite possible this evidence could have led to the chargeback being successful, as it wasn't clear what defence E1 would have given had this been submitted to them, or that they would have even replied to this evidence. However, AESEL didn't receive this evidence from Miss L, as far as I can tell. So, although I think there was a reasonable prospect of success, the further evidence that Miss L had wasn't provided to AESEL. So, I don't find that AESEL should now refund the amount in dispute.

The payment to E2

Miss L raised this dispute on 20 March 2024. AESEL though claimed that Miss L didn't submit the correct information they needed to raise a chargeback. I can see that AESEL sent an e-mail to Miss L on 23 March 2024 saying the details in the dispute form submitted by her were incomplete. AESEL has also sent us the enquiry form sent in by Miss L and provided a copy of the enquiry form she completed for one of the E1 transactions. This showed the enquiry form was missing information in relation to the E2 dispute.

I've looked at this evidence in detail. It appears to show Miss L selected the option: *'I haven't received my goods or services, or the business cancelled my goods or service'*. The same process that was completed for the E1 transaction was for the same dispute reason but with the sub-question options answered as *'I haven't received my order/service'*. In the E2 form, it seems the same sub-questions weren't completed and that's why AESEL wrote to Miss L explaining the details in the form were incomplete.

I've seen a screenshot provided by Miss L from AESEL saying '*Your dispute requires additional assistance. Please call the number on the back of your card*'. I haven't though seen sufficient evidence that Miss L called AESEL and specifically explained the problems she was having with this dispute. It may be that there are call recordings where Miss L does explain this, but AESEL has been asked to provide us with all call recordings between them and Miss L. And from listening to these, I haven't come across one that relates to this dispute, other than from December 2024 which was several months after.

As a result. I don't think AESEL acted unreasonably in not raising a chargeback for the E2 dispute.

The payment to L

Miss L raised this dispute with AESEL on 23 February 2024. I've seen evidence showing she received an error message when attempting to raise this dispute with AESEL and that this prompted her to call them. I've listened to a recording of this call and AESEL told Miss L the problem she was having was most likely down to a technical issue at their end. AESEL suggested to Miss L that she wait for a few hours and re-submit the details.

Miss L called AESEL again a few days later. I've listened to a copy of this call recording. In this, Miss L said she couldn't raise the dispute. AESEL then completed setting up the dispute over the phone with her. So, it seems to me AESEL took quite swift action to resolve the problems Miss L was having. I can appreciate though that being prompted to call AESEL because of technical issues was frustrating for Miss L.

AESEL raised a chargeback for Miss L for this dispute. L replied to this saying Miss L was sent a replacement order which had been successfully delivered. The evidence L submitted to AESEL indicated the replacement order had been dispatched from their warehouse and had been delivered.

AESEL then wrote to Miss L setting out what L had told them and asked her for proof of her most recent contact with L stating the order hadn't been delivered, the details of the person she had spoken to and when that happened. The evidence provided by Miss L showed an email from the merchant from 21 February 2024 acknowledging the delay in sending out the replacement. But L had already shown evidence to AESEL that the replacement order was delivered a few days later. So, it seems AESEL didn't have enough evidence to pursue the chargeback any further. I note also that L eventually refunded Miss L. But that wasn't, in my view, because of a failure by AESEL to act appropriately. Ultimately, that was a decision taken and made by L.

The payment to C

Miss L raised this dispute to AESEL in late January 2024. They raised a chargeback with C on 30 January 2024 who defended it saying the charge was valid as they had made Miss L aware that, after the free trial period, her subscription would be automatically taken from her unless she cancelled it at least three business days in advance of the billing day. C said they didn't receive notification of cancellation from Miss L.

AESEL asked Miss L for proof of cancellation. I haven't though seen evidence that suitable proof of this was sent to them. As this wasn't received, I don't think AESEL acted incorrectly by not taking the matter any further. Like with the L claim, C did refund Miss L the disputed amount. But that was a decision taken by C and I haven't seen sufficient evidence that AESEL's actions prevented this from happening.

AESEL's overall communication with Miss L

Miss L has said she didn't receive any communication from AESEL about her disputes. It seems though this was because Miss L didn't update her address with AESEL rather than AESEL failing to communicate about this. I've seen evidence from AESEL, which I have referred to in the individual sections of my decision above, that they sent Miss L several letters about the status of her claims. I don't think it was unreasonable for AESEL to have sent letters to Miss L and were entitled to think these would be delivered to her.

I do though agree with our investigator that there were other parts of AESEL's dealings with Miss L that were unsatisfactory. For example. I've seen evidence showing that Miss L asked for a call back from a manager after she'd missed a phone call from AESEL. Miss L asked for the manager to call her back in her lunch hour at 12pm. But they called her after that time. AESEL should have managed her expectations here and said they would try to call her when she wanted, but couldn't guarantee this, or explore whether there was another time they could call her, if they couldn't do this.

Summary

I think Miss L did experience difficulties in submitting her details for her claim against L, and that this was caused by problems at AESEL's end. I also think AESEL didn't handle Miss L's request to speak with a manager fairly. I think this caused her inconvenience and that a payment of compensation is warranted as a result. I think a payment of £100 is fair in the circumstances.

I don't though find that AESEL acted unfairly or unreasonably otherwise in how they handled the separate chargeback claims that Miss L raised.

Putting things right

AESEL should pay Miss L £100 for the inconvenience she was caused. I make no other award.

My final decision

I uphold this complaint and direct AMERICAN EXPRESS SERVICES EUROPE LIMITED to pay Miss L £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 1 January 2026.

Daniel Picken
Ombudsman