

The complaint

Ms A is unhappy with how AMERICAN EXPRESS SERVICES EUROPE LIMITED ('Amex') handled a dispute she raised through her credit card.

What happened

In May 2025 Ms A used an online travel agency ('the agency') to book some flights, and at the same time signed up to a free 'Prime' membership trial with the agency to benefit having a cheaper flight. Ms A saved £13.37 on the cost of her flights as a result of the trial.

The following day after making the booking (and after receiving confirmation of the booking) the agency emailed Ms A to explain that as she had already had a free Prime trial with them in 2022 she was not entitled to a further trial, so they had charged her credit card £89.99 which was the full price of having a Prime membership with them.

Ms A called and emailed the agency to withdraw from the Prime membership, but the agency did not end the membership or give Ms A any refund. Ms A therefore raised a dispute through Amex.

Amex raised the dispute, but following the agency's rebuttal Amex told Ms A they were not taking the dispute any further.

Our Investigator upheld Ms A's complaint as they said in Amex's handling of the dispute Amex had not considered Ms A's evidence fairly which showed she had exercised her right to withdraw from the Prime membership and she was therefore due a refund (less the discount she had received for the flights). Our Investigator proposed Amex therefore pay Ms A £76.62 plus 8% simple interest from the date the dispute was declined until the date of settlement.

Ms A accepted the Investigator's view, but Amex disagreed with how the Investigator had interpreted the terms of withdrawal from the Prime membership and asked for an Ombudsman to consider 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 have only included a summary of what has happened above and while I may not respond to every point each party has raised I have reviewed all the submissions available and focused on what I consider relevant to reaching a fair and reasonable resolution in this matter.

To reach a fair and reasonable decision I have taken into account any relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having reviewed this matter I have reached the same outcome as our Investigator for broadly the same reasons as I'll explain.

Ms A approached Amex to raise a dispute and Amex used the mechanism of chargeback to do this. In the circumstances, I think this was reasonable.

Chargeback is a mechanism where the card issuer may be able to, in certain circumstances, recover funds on behalf of the cardholder from a merchant's bank. Chargeback follows the strict rules of the card scheme provider (in this case American Express). There is no obligation on the card issuer to refund or assist in any way, but it would be considered good practice for them to do so where there is a reasonable prospect of success.

The card schemes do not fall within the jurisdiction of our service, so we aren't able to require them to run their chargeback in a particular way, but we are able to consider whether the card issuer fairly applied the chargeback process.

Given what Ms A had told Amex – that she had contacted the agency to end the membership and that she had not received a refund of the premium as expected – Amex raised a chargeback under the reason code 'Credit Not Presented' which includes circumstances where the card member has cancelled the services for a refund or credit promised which has not been received. In the circumstances I think this was a fair reason code to use for the chargeback.

Amex temporarily refunded the £89.99 to Ms A's account while they pursued the dispute.

The merchant (the agency) sent a rebuttal to the dispute raised. The merchant said the terms and conditions of their Prime membership only allowed customers one opportunity to have a free trial and as Ms A had already received this, they had therefore charged her correctly for the Prime membership.

Amex wrote out to Ms A to request information from her to support her dispute.

Ms A provided evidence of her attempts to end the Prime membership within 14 days of when she made the booking. Amex considered this and wrote to Ms A on two further occasions requesting similar evidence to show she had cancelled the membership or been promised a refund, and eventually Amex confirmed that the dispute was not going to be taken any further, reiterating Ms A had already had the benefit of a free trial period. Amex let Ms A know they had reapplied the transaction in question to her account.

I've considered whether, in the circumstances, it was fair of Amex to not take the dispute any further.

It is not possible to know what the card scheme provider may have decided at the final chargeback stage of arbitration, but given the evidence available to Amex I think it would have been reasonable for them to take the dispute further as I think they had enough available to them to fairly consider that Ms A's dispute had merit.

As part of the merchant's rebuttal, they provided their terms and conditions to Amex.

The terms and conditions of the Prime membership set out that a customer has a *Right to Withdraw* within 14 days from the beginning of the *first Prime Term* or, if applicable, from the beginning of the *Trial Period*, without the need to give any reason. The *Right to Withdraw* is recognised as a separate set of terms to the cancellation terms of a Prime Term.

The terms and conditions explain if the customer withdraws from the membership during the first Prime Term, the agency will reimburse the Prime Fee paid, less any discounts applied.

Amex dispute that Ms A was in either a Trial Period or the first Prime Term due to Ms A having previously had a trial period and that this would count towards the first Prime Term. However, the terms and conditions set out that a customer's Prime Term commences when the customer's Trial Period ends.

In the circumstances I think it reasonable to have interpreted that the Trial Period and first Prime Term were considered under the terms and conditions as two separate periods of time from which a customer could withdraw from the membership.

Ms A accepts she had a previous free trial period with the agency, but this was a long time ago in 2022 and she did not continue with the membership after that trial. The agency's email to Ms A confirming they had taken payment for the membership in May 2025 only referenced a previous trial period, no previous Prime Term.

As Ms A was not entitled to a further free trial in 2025, I think it would have been reasonable for Amex to consider that she was therefore in her first Prime Term so the right to withdraw would apply.

Ms A evidenced to Amex during the chargeback process that she had attempted to end the membership within 14 days and that she had called the agency within this timeframe as well to do this, so I think it would have been reasonable for Amex to take the dispute further. There was no evidence from the merchant or explanation as to why they had not allowed Ms A to exercise her right to withdraw given their terms and conditions permitted for this and promised a refund. The merchant's emphasis had been on Ms A having already had a free trial.

In the circumstances I think if Amex had given more consideration to the terms and conditions, recognising when it was possible to withdraw from the membership, together with Ms A's evidence to support her attempt to exercise her right to withdraw from the membership, it would have been reasonable for Amex to have pursued the chargeback given there was a likelihood of it being able to succeed.

In light of this I think it fair for Amex to put things right as they could have better handled the chargeback and taken it further.

Putting things right

AMERICAN EXPRESS SERVICES EUROPE LIMITED should pay Ms A £76.62 plus 8% simple interest per annum from the date the dispute was declined until the date of settlement.

My final decision

For the reasons above my final decision is that AMERICAN EXPRESS SERVICES EUROPE LIMITED should put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 20 March 2026.

Kristina Mathews
Ombudsman

