

The complaint

Mr K complains that American Express Services Europe Limited (Amex) has treated him unfairly regarding a transaction he made on his credit card.

What happened

On 4 March 2023, Mr K paid £1,200 to a company (transaction 1), who I'll call B, using his Amex credit card. The payment was for weekly mathematics tutoring sessions for his son, and the amount paid provided credit for 120 lessons. On 29 January 2024, Mr K paid a further £1,200 to B (transaction 2) again using his Amex credit card. This payment was for his daughter to start the same lessons, and he received 120 lesson credits for her.

Mr K managed to book his daughter in for 27 classes. Then in July 2024 a complaint was raised to B because Mr K was unable to book any classes on the booking platform provided. Mr K asked for a refund of the unused portion of the service for both his son and daughter, but he received no response.

Mr K then contacted Amex to raise a dispute. Amex raised a chargeback dispute for transaction 1, and as no response was received from the merchant, the matter was resolved in Mr K's favour, and he received a refund of £770 for the unused portion of the service.

For transaction 2, Amex asked Mr K for some further information including confirmation of the expected date of delivery for the services and recent communications with the merchant. There was some back and forth between Mr K and Amex before Amex wrote to Mr K to say it was out of time to raise a chargeback dispute for him.

Transaction 2 was then referred to be reviewed under Section 75 of the Consumer Credit Act 1974. On review, Amex said it didn't find Mr K to be the contracting party as all communication had occurred with Mr K's wife. So, Amex said the relevant debtor-creditor-supplier link was not in place and declined to review the claim any further.

Mr K then brought his complaint to our service. Our investigator reviewed matters and said she thought Amex had made errors when handling Mr K's chargeback dispute for transaction 2. If a chargeback had been raised, she found it likely this would also have been resolved in Mr K's favour and so she thought Amex should pay Mr K £930 to reimburse him for the unused portion of the service for this transaction.

Amex disagreed and asked for an ombudsman to review the complaint. It said the estimated due date (EDD) provided was out of time and when further information was requested from Mr K to clarify this, no original confirmation was received indicating that classes could be taken until a specific future date. Therefore, the dispute was closed correctly when the relevant supporting documents were not received. So, the complaint has now 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.

I would like to start by saying that I have provided a brief summary of the events that occurred. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

In this particular case, I can see that both disputes were raised over the telephone and at the same time. This means that Mr K explained what had happened and information was recorded on the dispute form by the member of staff at Amex who took the call.

The key difference between the disputes raised for transactions 1 and 2, was the EDD entered. For transaction 2, the EDD entered was the date the transaction was made. This meant the dispute was being raised 178 days after the EDD which put the chargeback dispute out of time, and Mr K was advised of this accordingly.

I do, however, have some issues with this. Mr K had explained that he was buying 120 lesson credits and lessons were to take place on a weekly basis. In this instance, it is inherent and clear that the EDD would run up to 120 weeks after the purchase was made. Further, Mr K was asked for evidence of the EDD and communications with the merchant. He provided emails showing a complaint had been raised to B when the weekly lessons could not be booked. He further provided screen shots showing the classes taken, and that the platform would no longer allow him to book classes. I find this evidence to be sufficient for Amex to have deduced what had happened and proceed with the chargeback.

The circumstances of transactions 1 and 2 were exactly the same. In fact, transaction 2 had taken place after transaction 1 and a chargeback was processed for transaction 1 with no further concerns or requests for information. There is no information provided which explains why the two transactions were treated differently at the point at which they were raised.

Considering the merchant failed to respond to the chargeback raised for transaction 1 and it was resolved in Mr K's favour, the prospects of the same happening if a chargeback had been raised for transaction 2 were high. I would also mention that B's terms provided a clear money back guarantee at any point a refund was requested, and Mr K had provided evidence of having made a request for a refund, which was another clear reason to raise a chargeback. As such, I find Amex has not treated Mr K fairly in failing to raise a second chargeback dispute and should reimburse him for the funds lost as a remedy.

Mr K paid £1,200 for 120 classes. 27 classes were taken, leaving 93 classes as the unused portion of the service at the point he started facing issues with B. The cost of the classes missed is therefore £930 and this is the amount Amex should reimburse Mr K. Mr K has also asked for the cost of a £200 voucher to be included in the calculations. Although I can see an informal message about this, I cannot safely say it was a contracted part of the service and should be reimbursed, so I am not taking the voucher into account when determining

what needs to happen to put things right for Mr K.

As I find the matter should be upheld on the chargeback element of the complaint, I am not required to comment on the matter of the Section 75 claim.

My final decision

My final decision is that I uphold Mr K's complaint against American Express Services Europe Limited and direct it to pay Mr K £930.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 February 2026.

Vanisha Patel
Ombudsman