

The complaint

Mr K has complained about how American Express Services Europe Limited (AESEL) responded to a claim for money back in relation to a transaction he'd made on his credit card.

What happened

The circumstances of the complaint are well known so I'm not going to go over everything again in detail. But in summary, in July 2025 Mr K paid around £400 to a booking platform I'll call "B", for a short-term hire car rental through a company I'll call "H".

Mr K said there was a long wait when he went to pick up the rental car, and he said the car H supplied was a lower-value budget option compared to the sort of car he'd booked and expected. He said H tried to make him pay for insurance he'd already pre-paid and he only accepted the car under duress. Mr K complained to B and H but was only offered a 10% voucher. So he put in a claim with AESEL under section 75 of the Consumer Credit Act 1974.

AESEL rejected the claim on the basis Mr K wasn't a contracting party because a third party was listed as the main driver. AESEL also highlighted B was only an intermediary. Mr K didn't agree. He said he paid for the booking through his account with B and that B was the supplier. Mr K decided to refer his complaint to the Financial Ombudsman to consider.

One of our investigators looked into things and said she thought B was acting as an intermediary and wasn't the supplier – which was H. She said B's role was to provide a platform to enable a booking to be made and to process the payment, which was passed to H. She thought Mr K was unhappy with what H had done, and not B. She also said that even if there wasn't an issue with the arrangement between the contracting parties she also didn't think there was evidence of a breach of contract or misrepresentation that AESEL could be liable for. She said the booking confirmation said H would supply a particular car, or something similar. And that the car provided was within the correct category.

Mr K didn't agree. He said he was the contracting party, and that the service wasn't as described. As things weren't resolved, the 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.

I want to acknowledge I've summarised the events of the complaint. 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 assure Mr K and AESEL 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 is whether AESEL – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr K's request for getting money back. It's important to note AESEL isn't the supplier. I've gone on to think about the specific card protections that are available. In situations like this, AESEL can consider assessing a claim under section 75 or raising a chargeback.

Section 75 is a statutory protection that enables Mr K to make a like claim against AESEL for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with him for the provision of goods or services. But there are certain conditions that need to be met for section 75 to apply. One of which is that there needs to be a debtor creditor supplier (DCS) agreement in place. Having several parties involved can impact the arrangement.

AESEL said the problem in this case is that Mr K used his card to pay for the rental through B, but that the main driver is a third party, and is presumably the person that entered into the contract with H. So I can understand why AESEL had concerns that there wasn't a direct link between Mr K (the debtor), itself (the creditor) and H. A lot of what Mr K said he feels went wrong was because of H – i.e., H caused delays; H tried to sell insurance that wasn't needed; and H supplied a car that was of inferior quality to what Mr K expected. Whereas B offers a booking platform. It booked the car as agreed, and its terms say that it's not a party to the terms between the customer and the service provider.

It's quite complicated where there are several parties involved. I think AESEL wanted to be more certain there was a link between Mr K, itself and H. But like our investigator pointed out, even if there wasn't a potential issue with DCS, it's not clear AESEL was shown enough for it to conclude there was a breach of contract or misrepresentation.

Mr K is saying there was a misrepresentation because the car supplied was inferior to what he expected. The booking gives a name of a particular model and says "or similar". And the car Mr K was supplied was within the same intermediate category as the quoted model that H uses. So I think AESEL would've fairly wanted to see more conclusive evidence a false statement had been made. I don't think its answer on misrepresentation was unfair.

With regards to the wait time or the attempted sale of insurance, Mr K seems to be indicating that H didn't carry out its service with reasonable care and skill, which could be a breach of contract. If that's right, often the remedy is for the service to be performed, which it was. There were no financial losses incurred by Mr K. Losses for distress and inconvenience aren't generally recoverable in cases like this under breach of contract. And I don't think AESEL was provided sufficient evidence to say Mr K should have had a price reduction. So I don't consider there'd be grounds to direct AESEL to pay Mr K the sort of compensation he's sought, based on the limited evidence it was supplied.

The other possible avenue which AESEL could potentially have assisted in the dispute was via chargeback. The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme, which in this case was American Express. It's not a guaranteed way of getting money back. I've not made a finding on AESEL's handling of the chargeback as it's not a point that's been argued by either side. But, on the face of it, given there's a lack of evidence the service wasn't as described or was defective, and that it was utilised I don't think this would've led to a better outcome for Mr K.

Overall, while I'm sorry to hear Mr K wasn't happy with the experience, I don't find there's grounds to direct AESEL to compensate him for that.

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 K to accept or reject my decision before 10 April 2026.

Simon Wingfield
Ombudsman