

The complaint

S has complained about how American Express Service Europe Limited (AESEL) handled a refund claim they made.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that AESEL aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because S paid for this transaction using an AESEL charge card, a chargeback claim could possibly help them. So in deciding what is fair and reasonable I've focused on this

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case AESEL's own scheme rules). I've considered the relevant chargeback rules in deciding whether AESEL acted fairly.

The relevant chargeback code here would be 'Goods / Services Damaged or Defective'. I've therefore considered the evidence available with regard to this chargeback rule and whether AESEL acted fairly when they declined S's claim following the merchant's objection.

S's complaint is regarding several transactions made on their AESEL charge card to a merchant I shall call 'E', for an online course totalling £4558.00. These were made between 19 August and 22 August 2023. S says that they only discovered later that the quality of the course wasn't as expected. They therefore raised a chargeback claim with AESEL on 17 December 2024. However this wasn't progressed as AESEL considered this was outside the time limits set under their card scheme rules.

Did AESEL act reasonably in declining the chargeback claim?

I've reviewed AESEL's chargeback rules under this code and they confirm that card members have up to 120 days from the transaction date to dispute the charges under this code. In this case AESEL say the chargeback was only initially raised with them on 17 December 2024 so outside the 120 days required under the scheme rules.

S has said that the reason they didn't raise the chargeback earlier is that they had been engaging with the online course over that period. They said that it took some time for them to realise the service did not meet the expected quality or value and they accept the 120 day window passed. Due to the circumstances, S considers it fair for this to be considered when assessing the time limits and in turn the merits.

While I appreciate S's position, chargeback is a process governed by the card scheme rules, which do set a strict 120 time limit here running from the date of the transactions. The card issuer is contractually bound to follow these scheme rules and doesn't have discretion to depart from or extend them. As the rules don't allow the timescales to be reset based on when the issues became apparent, I can't say AESEL was required to raise a chargeback outside that period.

In addition, I note a Section 75 claim under the Consumer Credit Act 1974 wasn't raised as S's card was a charge card. I agree this is correct here. Therefore, the only recourse available would've been under a chargeback claim which I've addressed above.

I know this'll be disappointing for S but I won't be asking AESEL to do anything more for these reasons.

My final decision

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 24 March 2026.

Viral Patel
Ombudsman