

The complaint

Mr S complains that American Express Services Europe Limited (AESEL) refunded a credit balance to him, and he didn't receive the cheque it sent.

What happened

Mr S has a credit card account with AESEL. On the April 2025 statement, the account went into credit of £77.03. On 26 May 2025, AESEL wrote to Mr S to say that it had refunded the balance to him and had provided a cheque for the refund.

Mr S says that he didn't request for the credit balance to be returned to him. And he also didn't receive the cheque AESEL says it sent him. Mr S wanted AESEL to provide him with proof that the cheque had been sent; and to reimburse him in a more efficient way – such as an electronic transfer. Mr S also wanted 8% simple interest on the £77.03 until the issue was resolved.

AESEL responded to Mr S's complaint on 4 July 2025. It said that it could take 10 to 15 working days for the cheque to arrive in the post. It said that it couldn't provide a tracking number for the cheque. It said to Mr S that if he still hadn't received the cheque to let it know.

On 9 July 2025, AESEL cancelled the cheque, and instead re-credited the £77.03 back to Mr S's credit card account. And on 24 July 2025, the funds were transferred to Mr S's personal bank account.

An Investigator considered the evidence provided by both parties, but they didn't uphold Mr S's complaint. Ultimately, they didn't think AESEL had done anything wrong in issuing the refund and sending this to Mr S via cheque using standard delivery. And they explained they hadn't seen that AESEL had made an error in the way it had attempted to refund Mr S.

Mr S didn't agree with the Investigator's view, and I have summarised his main points below:

- AESEL refunded a small credit balance without prior notification or his consent.
- AESEL chose the riskiest possible method to return the funds – untracked cheque – despite it having his bank details, which are linked to his direct debit.
- Resolution took nearly five months – AESEL ignored reasonable requests for correction and caused him financial deprivation, distress and inconvenience.

The Investigator asked Mr S for evidence that the funds weren't received until October 2025. Mr S gave the Investigator permission to request his bank statements. The Investigator found that the credit had been received to Mr S's account on 28 July 2025. Mr S asked if AESEL would pay him 8% interest on the £77.03, until it was paid back to him. AESEL didn't agree, as it hadn't made a mistake.

Mr S requested a decision as he didn't feel that AESEL had been able to demonstrate that the cheque was in fact sent, as it hadn't provided a tracking number.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on 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.

Having considered all of the available evidence, I don't uphold Mr S's complaint.

I think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. I say this as I'm aware I have summarised Mr S's complaint, and his response to the Investigator's view in far less detail than he has.

I note that Mr S says that he didn't request for the refund, and AESEL did so without his consent. But credit card accounts aren't intended to hold a credit balance. And because of this, AESEL has a policy whereby it returns credit balances where an account has been in credit for more than 30 days, which is what has happened here. While AESEL may not have notified Mr S before it returned the funds to him, I can see that it sent him both a letter and email to let him know that a cheque had been issued. I find this to be reasonable in the circumstances.

I can see that Mr S didn't receive the cheque, which I can understand must have been frustrating for him. I have seen screenshots of AESEL's internal systems which show the audit trail of the cheque being sent; I can also see a cheque number was produced too. So, I'm satisfied it more likely than not that a cheque was produced and posted to Mr S. I don't know why the cheque didn't arrive with him; but I'm satisfied that AESEL did what it needed to by posting it to him.

I understand Mr S is concerned that the cheque wasn't sent via recorded delivery. There is no requirement for AESEL to have sent the cheque by recorded delivery. And given that most of the post that is sent by standard delivery, is correctly delivered, it isn't unreasonable for AESEL to have sent the cheque in the way it did. While it isn't in dispute here that Mr S didn't receive the cheque, which as I've explained is understandably frustrating; I can't hold AESEL responsible for issues with the postal service.

AESEL has explained that it sent a cheque, as opposed to an electronic transfer, because it couldn't verify Mr S's bank account details to return the funds. I have seen evidence that shows AESEL did attempt to verify Mr S's bank account details but couldn't. And so it sent a cheque. I don't find AESEL's actions unreasonable here; it did attempt to find a quicker way to return the funds, but it couldn't verify Mr S's details. I wouldn't expect AESEL to send funds to an account where it couldn't check it was going to the right place. In any event, it isn't unreasonable that the funds were returned by cheque. Again, I can't fairly conclude that AESEL has acted unfairly or unreasonably here.

I've also considered the time it took for the funds to be returned to Mr S. AESEL explained to Mr S that it could take between 10 to 15 days for the cheque to arrive – which would be around 18 June 2025. I can see from the statements provided by AESEL, it then cancelled the refund and re-credited Mr S's credit card account on 9 July 2025. And following Mr S's request, it returned the credit balance by BACS to his bank account on 22 July 2025, which I can see Mr S received on 28 July 2025.

The majority of the delay here appears to be as a result of the cheque not having been received – which I've already explained I can't hold AESEL responsible for. Following this, once AESEL became aware the cheque hadn't been received, I can see it cancelled the cheque on 9 July 2025, refunded the amount back to Mr S's credit card account on the same day and then returned the funds to Mr S's bank account at his request on 22 July 2025. I don't find the time the refund took to reach Mr S to be unreasonable – especially considering the refund had been applied to Mr S's credit card account very shortly after AESEL being made aware the cheque hadn't been received.

Finally, I note Mr S has referred to a past decision that he thinks supports his view that AESEL has treated him unfairly and should pay him compensation. I haven't taken this into consideration when coming to this decision. That's because I'm required to decide a case on its individual merits and am not bound by any decision another Ombudsman has made; and having considered the individual circumstances of this case, I don't uphold the complaint.

My final decision

For the reasons set out above, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2026.

Sophie Wilkinson
Ombudsman