

The complaint

Mr K complains American Express Services Europe Limited (“Amex”) acted unfairly by not refunding a payment he made using his credit card.

What happened

In August 2025, Mr K noticed he’d been charged £63.16 by a company I’ll refer to as H, for a subscription box. Mr K contacted H saying he’d meant to postpone the week, and as such wasn’t in need of the subscription box, so asked for it to be cancelled and a refund issued.

Mr K says H offered to cancel the order for account credit, but was unable to offer a refund. As Mr K didn’t accept this, he continued corresponding with H. But it said as Mr K’s box had passed the cancellation deadline for a full refund, it could only offer a cash credit as a gesture of goodwill. Unhappy with H’s response, Mr K contacted Amex for help in getting his money back.

Amex raised a chargeback with H, which is the process of asking for a refund via the card scheme provider. It seems it also temporarily removed the charge of £63.16 from Mr K’s account.

H defended the chargeback, pointing to its cancellation policy and saying Mr K didn’t cancel his recurring subscription or postpone the box before being charged. Amex shared this response with Mr K, and ultimately made the decision not to pursue the matter further. As a result, it appears to have re-added £63.16 to his account.

As Mr K remained unhappy with Amex’s handling of the chargeback he complained. Amex reviewed matters and while it didn’t think it had declined his chargeback claim unfairly, it offered Mr K £63.16 as a gesture of goodwill. This amount was removed from his account as a credit adjustment in November 2025.

Mr K didn’t think this resolved matters so referred his complaint to this Service. He said Amex hadn’t considered his evidence and just relied on H’s terms and conditions. He also considered it had delayed matters causing unnecessary inconvenience.

An Investigator here reviewed matters and didn’t think Amex acted unfairly in its handling of Mr K’s claim. They said Amex had pursued the chargeback as far as it reasonably could but based on H’s cancellation policy, Mr K’s claim didn’t have a reasonable prospect of success.

Our Investigator also explained the payment didn’t meet the conditions for a claim under Section 75 of the Consumer Credit Act 1974 (another potential avenue for a refund when a credit card has been used). In relation to Amex’s customer service, our Investigator did consider it could have done better, but considered the £63.16 it had already paid as a gesture of goodwill fairly resolved matters.

While Mr K has accepted what our Investigator said in relation to the outcome of his chargeback and Section 75 claim, he didn’t agree the compensation offered reflected the impact caused by Amex’s complaint handling and customer service.

Mr K went on to explain Amex's handling of his complaint was the crux of the issue. Saying the way it corresponded caused delays and it didn't consider evidence he'd provided. It also provided a temporary credit and this, along with Amex's handling of his claim and customer service had caused extreme distress and anxiety.

As no agreement could be reached 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.

Firstly, I should explain, within this decision I'm only able to consider whether Amex - a financial services provider – has acted fairly and reasonably in handling Mr K's request for a refund. I must make the distinction between the financial services provider (Amex) and the merchant (H). That's because I can't look directly at the actions of H, or comment on those.

Mr K has said he accepts his chargeback and section 75 claims were unlikely to have succeeded. He's asked the deciding Ombudsman to consider Amex's handling of the process and subsequent complaint, as he doesn't consider the compensation paid is sufficient. As all parties appear to agree with the outcome of the claim, I'll only briefly explain, I agree with our Investigator in relation to both aspects.

I say that for several reason. Firstly, a chargeback is a voluntary scheme, not a legal right and is run by the card networks. Amex did as I'd expect here and raised a chargeback with H. But chargebacks are not guaranteed to succeed; the recipients of the funds can choose to challenge or defend a chargeback – as H did here.

H provided a copy of its terms and conditions which showed Mr K would be responsible for all charges incurred if the box wasn't cancelled/postponed five days prior to the scheduled delivery. Mr K attempted to cancel the box within this time, so in line with the terms and conditions he wasn't due a refund. As such, it doesn't seem unreasonable Amex chose not to pursue his chargeback claim further, as it didn't have a reasonable prospect of success, against the scheme rules.

I understand Mr K considers it unreasonable H said it could cancel the box when he first contacted it, but only for credit – not for a full refund. It seems H had made this offer as a gesture of goodwill and not as a result of its terms and conditions. I do understand Mr K's point here, but ultimately, I can only consider Amex's actions and under chargeback these were limited. Amex could only consider the claim based on set rules, rather than any wider considerations or the fairness of H's refund policy. So even though H was offering Mr K cancellation and account credit (which was more than the terms and conditions appear to have required), rather than cancellation and a full refund (as Mr K wanted), it doesn't mean his chargeback should have succeeded.

I should add, H's terms also explain Mr K didn't have the right to cancel or return the box within 14 days of receipt, as he said. That's because it says:

“Under regulation 27(1)(c) of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, this type of product is exempt from the usual consumer right to withdraw.”

Overall Amex did as I'd expect in relation to its handling of Mr K's chargeback claim, it raised a dispute with H and did so quickly. But based on the evidence provided by H it decided it

was unable to pursue the claim; this seems reasonable. This also extends to the way it dealt with the temporary refund of £63.16.

Under the chargeback rules, there's no requirement to a temporary adjustment, but it is common. I appreciate Mr K says this caused him inconvenience in relation to his budgeting, but ultimately, I don't think Amex acted unfairly in its decision to adjust his account accordingly. And when the chargeback proved unsuccessful, it's right the amount was re-added to Mr K's account as it was due.

Because chargeback is prescriptive, when considering a claim under these rules, Amex doesn't have the same flexibilities that it would under section 75. But as our Investigator also explained, this wasn't an avenue available in Mr K's case.

That's because, there are conditions that need to be met for Section 75 to apply. One of these is that an item must fall within set financial limits. Specifically, the claim must relate to an item with a cash price of over £100 and no more than £30,000. Here, Mr K paid H £63.16 and as such doesn't meet the conditions for section 75 to apply.

As such, I don't think Amex acted unfairly by not pursuing Mr K's claim under section 75 as his claim didn't meet the necessary conditions. So, he hasn't lost out as a result.

Taking everything into account, I don't think Amex has acted unfairly in declining Mr K's claim under chargeback. And nor do I think Mr K's claim met the conditions for section 75, so Mr K hasn't lost out as a result of Amex not pursuing it.

Customer Service

In this case, Amex did as I'd expect in relation to its handling of Mr K's chargeback as I've explained above. But it's paid Mr K £63.16 as a gesture of goodwill.

Mr K doesn't think this goes far enough to compensate him for the inconvenience he's been caused. Specifically he says Amex caused delays and didn't consider evidence he'd provided. As a result, Mr K says Amex hasn't met its complaint handling obligations as set by the Financial Conduct Authority.

As explained above, chargebacks are prescriptive in the way they work, and Amex was limited to the extent it could consider further evidence. As such, I don't think it's done anything wrong in this regard, however it might have been helpful to explain this more clearly to Mr K, which I haven't seen it did.

I'm also aware Mr K was frustrated by the delays caused by communicating with him by letter, rather than email. While this Service can't tell a business how it should communicate, I can appreciate his frustration here. But ultimately it wouldn't have changed the outcome of Mr K's chargeback claim, as it was unsuccessful in any case.

Overall Mr K's chargeback claim and subsequent complaint took around three months, which doesn't seem unreasonable, given the steps that must be taken.

I appreciate Mr K doesn't consider Amex investigated his complaint in the way it should, and this has caused him significant distress and inconvenience. However, my remit here is to look at a complaint on a fair and reasonable basis. And where an error has been made, I also need to be persuaded inconvenience has been caused as a result.

So, while I accept Amex's complaint responses could have been more detailed, that doesn't mean more compensation is warranted. This isn't intended to diminish the impact this

experience may have had on Mr K, I can appreciate it would have been a stressful time. But ultimately, Mr K was still able to bring his complaint to this Service, both relatively quickly and within the necessary timescales for his complaint to be considered. As a result, I haven't found Amex's actions warrant more compensation than its already paid.

Taking everything into account, I don't think Amex acted unfairly in its handling or decision to decline Mr K's chargeback claim. It also didn't meet the requirements for a claim under section 75, so Mr K hasn't lost out as a result of Amex not raising a claim under this avenue. And while I accept Amex's customer service overall could have been improved, I think the amount it's already awarded fairly compensates Mr K. As such, I won't be asking Amex to take any further action here.

My final decision

For the reasons explained above, I do not 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 12 March 2026.

Victoria Cheyne
Ombudsman