

The complaint

Mr M complains about the service he received from American Express Services Europe Limited (AESEL) when he contacted them about an unexplained credit.

What happened

Mr M holds a credit card with AESEL.

In July 2025 Mr M contacted AESEL about an unexplained credit of £4,734 received into his bank account from AESEL. Mr M also said that a payment he'd made to his credit card wasn't reflected on the account. The AESEL agent said they couldn't see why the payment had been received into Mr M's bank account and that they didn't know why the payment wasn't reflecting on my M's account.

Mr M contacted AESEL again. The agent advised Mr M that the matter would be referred to back office. Mr M says he was told that whilst the investigation was ongoing, he didn't need to worry about interest charges on the account.

AESEL investigated and found that the credit of £4,734 related to the payment attempted by Mr M to his credit card account. AESEL advised Mr M that the payment had been returned to his originating bank account because a digit from the 16-digit reference number was missing and the payment couldn't be allocated. AESEL advised Mr M that it hadn't been able to locate a credit to his account and said it would raise a technical ticket. It apologised for any inconvenience caused and credited Mr M's account with £25 as a gesture of goodwill.

Mr M remained unhappy and brought his complaint to this service. He says he emailed AESEL multiple times but wasn't given support. He's also unhappy that he was charged interest whilst the matter was being investigated.

Our investigator upheld the complaint. They said that although the original issue was caused by Mr M providing incomplete information, AESEL had failed to handle the situation appropriately once it was brought to their attention. The investigator found that AESEL failed to investigate properly and provided poor communication to Mr M. The investigator recommended that AESEL pay a total of £100 compensation to Mr M and refund the interest and charges applied to the account during the period of investigation.

AESEL accepted the investigators opinion in relation to compensation. In relation to interest AESEL said it had made Mr M aware of the reason for the returned payment in its final response letter dated 22 August 2025. AESEL said it wasn't responsible for Mr M's decision to pay the minimum payment after this date and said the interest had been charged in line with the terms and conditions of the agreement. AESEL said it agreed to refund interest for the period of the investigation.

Mr M didn't agree so I've been asked to review the complaint.

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 know it will disappoint Mr M but I agree with the investigator's opinion. I'll explain why.

I've reviewed the statement of account and the system notes. These show that Mr M attempted to make a payment of £4,734 from his bank account. The payment was returned by AESEL because the reference number quoted wasn't complete and the payment couldn't be allocated. This is why the credit for £4,734 appeared in Mr M's bank account.

The initial issue was caused by Mr M using an incomplete reference. However, I agree with the investigator that AESEL could have handled things better when Mr M contacted them. I say this because the call recordings show that when Mr M contacted AESEL on 28 June 2025, he explained that he'd made a payment of £4,734 to his credit card account but the payment had been returned to his bank account. Mr M said he believed his credit card balance should've been cleared with the payment he'd made. The AESEL agent failed to identify that the payment had been rejected by AESEL and caused Mr M distress by failing to explain what had happened, leaving Mr M worried that his payment had gone missing and/or that he'd been a victim of fraud.

I've also reviewed how AESEL handled Mr M's complaint. I can see that Mr M contacted AESEL several times in July and August 2025 but despite the issue being a straightforward allocation issue, AESEL took a long time to investigate and provide Mr M with a resolution.

In the circumstances, I agree with the investigator that AESEL should pay further compensation and refund the interest charged during the period of investigation. I don't think it's fair to ask AESEL to refund interest beyond the date of the final response letter because after this time, it was Mr M's decision to pay the minimum monthly payments, which resulted in interest being charged on the account balance in line with the terms and conditions of the agreement.

Putting things right

To put things right, AESEL must pay total compensation of £100 (less credit for the £25 already paid) and refund interest of £109.76 and £85.04.

My final decision

My final decision is that I uphold the complaint. American Express Service Europe Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 May 2026.

Emma Davy
Ombudsman