

## **complaint**

Mr R's unhappy about the way American Express Services Europe Limited has dealt with him.

## **background**

Mr R says he's a signatory on an account with another bank in which he can deposit and from which withdraw money. He says he regularly uses this other account to pay off his American Express monthly credit card bills. He's unhappy that in January 2018 American Express demanded payment from him of over £4,405 as it said the other bank had recalled the usual payments made from this other account. He says American Express has caused him undue pressure and stress. And he cannot pay American Express twice.

American Express said in its final response that it'd received an indemnity request from the other bank to return the direct debit payments made from the other bank into Mr R's account between October 2016 and November 2017. Under the terms of the Direct Debit Guarantee it's obliged to immediately return payments when asked to do so by another bank when it says a mistake has been made. American Express has correctly refunded the payments requested by the other bank and it cannot reclaim them. Mr R therefore owes the outstanding amount of £4,423 under the terms of his account.

Our adjudicator felt this complaint shouldn't be upheld. He said any complaint about the reclaim of these payments needs to be made by the other bank's account holder to the other bank. American Express was obliged under the Direct Debit Guarantee scheme to repay the money to the other bank. And also to apply these amounts onto his American Express card account.

Mr R doesn't agree and has asked for an ombudsman review. In summary he says he didn't agree the payments into his account from a third party could be voided. And he shouldn't have to pay American Express twice. It should've told him what was going on so he could resolve matters. He thinks the other bank has acted unlawfully.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator's conclusions for the same reasons.

The terms and conditions of the Direct Debit Guarantee say that American Express is obliged to immediately return payments made to a bank that paid them if that bank thinks something has gone wrong and asks for them back.

That's what happened here. The other bank asked American Express to repay the payments it'd made into Mr R's card account between October 2016 and November 2017. And I don't think American Express has done anything wrong by responding to that indemnity request by repaying some £4,405 to the other bank.

Mr R's American Express account's terms and conditions say that it may reverse any payment made into the account if it's returned or dishonoured for any reason. And that he is responsible for payment of what's owed on the account.

So, when the payments received from the other bank were recalled Mr R's account was debited those amounts and he became liable for the outstanding balance. And American Express is entitled to seek payment of this outstanding balance from him.

Mr R's clearly unhappy that the other bank recalled these payments. But that's not something I can consider in this complaint. It will be up to Mr R to get the account holder to take up his concerns with the other bank.

Overall, although I recognise Mr R's frustration, I don't think American Express has done anything wrong and I can't fairly or reasonably ask it to do anything differently. And I don't see any compelling reason to change the proposed outcome in this case.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 March 2019.

Stephen Cooper  
**ombudsman**