

The complaint

Mrs B complains about the way American Express Services Europe Limited (AESEL) trading as American Express handled a dispute about a transaction on her credit card.

What happened

The facts are well known to the parties so I am only going to cover these briefly and focus on giving reasons for my decision.

Mrs B used her AESEL card to purchase a piano and stand set. However, Mrs B says the stand was faulty and the supplier wasn't helpful. So she raised a dispute of £69.99 with AESEL for part of the purchase.

Mrs B says that AESEL did not handle things well. In summary, it asked her to send evidence already supplied and it also didn't give her certainty about the outcome of the chargeback.

The complaint about AESEL came to this service. Our investigator thought AESEL had acted reasonably, noting it got Mrs B the £69.99 refund through the chargeback scheme and paid her £25 compensation for its service failings.

Mrs B has asked for the matter to be looked at by an ombudsman.

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 have looked at the evidence submitted by the parties but I won't be commenting on all of it - only what I consider central to this complaint. This isn't intended as a discourtesy but it reflects my role in resolving disputes informally.

I note in response to the view Mrs B has mentioned a dispute in relation to a different item (a camera). This doesn't appear to be part of this complaint and I understand will be dealt with separately. Therefore, I am not going to be commenting on it here. Here I will be looking at the acts or omissions of AESEL in relation to its handling of the dispute about the transaction for the piano and stand leading up to the point AESEL issued its Final Response Letter in December 2022.

It is often good practice for a bank to raise a chargeback, even though the outcome of a chargeback isn't guaranteed. A chargeback will be governed by the particular rules of the chargeback scheme – in this case AMEX. I can see that AESEL raised a chargeback for Mrs B about her disappointment with the keyboard stand. And that it eventually closed the dispute in Mrs B's favour.

AESEL ultimately achieved a positive outcome for Mrs B by getting the refund she wanted – so I consider it reasonable to take that into account in deciding if it acted fairly. However, I do acknowledge that its service in handling the dispute could have been better. AESEL says it

could have explained the status and progress of the dispute better – and I agree with this based on the correspondence I have seen.

Mrs B says AESEL asked for information she had already provided it with, which would no doubt have been frustrating for her. Furthermore, I can see AESEL were not clear about the process and timeframe for confirming the credit as permanent (I note that although AESEL refers to upholding Mrs B's dispute it also refers to a process where a reversal might occur).

From what I understand the £69.99 credit AESEL applied in late 2022 (after the dispute was raised) has not been reversed to date and won't be as the merchant has run out of time for a response. It isn't unreasonable for AESEL not to have confirmed a permanent refund leading up to its Final Response in December 2022 if it wasn't able to due to the card scheme process running its course. However, I can see how AESEL not clearly explaining this process (and any relevant timeframes for confirming the refund) at the time would lead to a degree of unnecessary uncertainty and frustration going forward for Mrs B.

In deciding what AESEL needs to do to put things right I have taken into account the impact on Mrs B but also note there will be a usually expected level of frustration and uncertainty with a disputes process like this in any event. And I also note that AESEL did get the money back for Mrs B and write to apologise to Mrs B for its service failings – this seemed sincere. In the circumstances although £25 is not a large award I don't consider it reasonable to direct AESEL to pay Mrs B more.

I note part of what Mrs B wants to put things right is an assurance from AESEL that her emails will be answered in the future and measures put in place to ensure the complaints and disputes team are 'on the same page'. I can't direct the business to change its commercial procedures nor is it realistic for me to direct it to do things that will guarantee errors won't be made going forward. Hopefully, AESEL will have taken note of any feedback and in future things will go more smoothly. However, Mrs B is not prevented from complaining to AESEL about matters going forward should she have cause.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 October 2023.

Mark Lancod
Ombudsman