

The complaint

Mr C is unhappy that American Express Service Europe Limited (“AESEL”) haven’t returned funds to him that were credited back to his closed American Express credit card.

What happened

Mr C had an American Express credit card which was cancelled in December 2020. In May 2022, Mr C received a refund into the cancelled credit account of £23.81. Several cheques were issued to Mr B by AESEL for this amount, but these were never received by Mr C.

In November 2022, Mr C received another refund to the closed credit account, this time for £1,168.24. AESEL looked to reimburse this amount back the bank account Mr C had used to make payments to the credit card, but they found they were unable to validate the sort-code and account number for this account. AESEL therefore asked Mr C to provide proof of the payment via their online portal. Mr C uploaded the proof of payment documents AESEL asked for, but these were never received by AESEL.

Mr C wasn’t happy that AESEL weren’t reimbursing his money to him, or that he still hadn’t received a cheque for the earlier amount. So, he raised a complaint. AESEL responded to Mr C but didn’t feel they’d acted unfairly towards him and so didn’t uphold the complaint. However, AESEL did acknowledge that while they hadn’t acted unfairly, Mr C had been inconvenienced and frustrated by how matters had unfolded, and they made a payment of £25 to him as a goodwill gesture as a result. Mr C wasn’t satisfied with AESEL’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that AESEL’s response to the complaint already represented a fair resolution to what had happened. Mr C remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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 done so, I’d like to begin by confirming that this service isn’t a regulatory body or a Court of Law and doesn’t operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Regarding the three cheques that AESEL sent to Mr C that weren’t received by him, I’ve requested several pieces of information from AESEL which I’m satisfied confirm that the cheques were sent to Mr C’s correct address – the address that he moved to in 2021 and which he’s provided to this service as being his address.

While it’s certainly unusual that three sent cheques wouldn’t be received by Mr C, I feel that

the postal strikes that were taking place around the time of the issuance of these cheques may have had an impact here. And this is especially the case given that the letter which was sent to Mr C containing the £25 goodwill gesture cheque – which was sent later, at a time when the postal strikes weren't taking place – was received by him.

Regarding the larger refund amount which AESEL sought to reimburse to Mr C's bank account but were unable to do so as per their process because they were unable to verify the sort-code and account number as belonging to Mr C, I also don't feel that AESEL have acted unfairly here.

AESEL have provided this service with a copy of their process flow which confirms that in such circumstances they require proof of purchase to be provided by the customer before reimbursing the amount. It's for AESEL to set its processes in this regard, and it isn't within the remit of this service to comment on such a process beyond the fairness of the outcome that's been reached by the following of that process.

In this instance, given that the process is clearly designed to prevent reimbursements being paid to incorrect accounts and is therefore designed to protect the customer, and given that I'm satisfied that all AESEL customers in similar circumstances would be subject to the same process, I don't feel that Mr C being asked to follow that process is unfair.

Mr C has explained that he did upload the documents to AESEL's portal as requested, but that these weren't received by AESEL. This is unfortunate, but given the process as I've described it above, I wouldn't expect AESEL to reimburse the money to Mr S until it's satisfied the money is being reimbursed to an appropriate account.

I note that the letter sent by AESEL dated 13 November 2022, which asks Mr C to provide the documents, explains that as an alternative to the online portal, copies of the documents can be sent to AESEL by post.

As such, I can only encourage Mr C to provide the documents required by AESEL to enable the reimbursement of his money. Mr C may have better luck uploading the documents via the portal at this time but sending clear copies of the documents by post is available to him as an alternative option if not. Mr C may also be able to request that AESEL reimburse the £23.81 via a similar method or that they send a further cheque for this amount, now that the postal strikes are no longer in force and that it's been demonstrated that Mr C can receive letters sent by AESEL to his address.

None of this is to say that Mr C hasn't been frustrated and inconvenienced by what's happened here. But it is to say that unfortunately, in circumstances such as this, a degree of inconvenience may frustratingly be necessary – given the requirements on businesses such as AESEL to have processes in place to protect existing or prior customers money. I'm satisfied AESEL are following such a process here by requiring the documents from Mr C. And while I accept this is frustrating for Mr C, I don't feel it's unfair.

I realise this might not be the outcome Mr C was wanting. But I hope he'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 September 2023.

Paul Cooper
Ombudsman