

The complaint

Mr B complains about how American Express Services Europe Limited (AESEL) dealt with a balance refund.

What happened

Mr B says he closed his AESEL account in December 2022 and in January 2023 called it about a credit of just over £17 on the account. He says AESEL told him its systems didn't recognise his bank account and was told he would be sent a cheque. Mr B says he was then told to provide his account statement and was provided with a link that didn't work. He would like compensation for what took place and says AESEL breached Financial Conduct Authority (FCA) rules.

AESEL says it must follow rules on the return of a credit balance and says it no longer held Mr B's account details. It says it needed Mr B's documents before processing the refund but accepts it shouldn't have told Mr B, he would receive a cheque when he first called. AESEL says it's paid £25 for that and for any inconvenience caused.

Mr B brought his complaint to us, and our investigator didn't uphold it. The investigator thought AESEL had followed its process for the refund and thought the compensation appropriate.

Mr B doesn't accept that view and in summary questions why he had to ask for the refund and questions why AESEL sent him a cheque if it needed his account details.

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 have come to the overall view that I don't uphold this complaint and don't require AESEL to increase its compensation amount. I appreciate Mr B will be disappointed by my decision.

I hope it assists Mr B to understand our role here. We are not AESEL's regulator and so it's not our role to direct it about how it applied a refund as here or how it complies with its regulatory duties. I make that clear as I think the main parts of Mr B's complaint are about AESEL not complying with FCA directions, how it handled a refund and that it didn't instigate the refund itself but relied on Mr B contacting it.

I appreciate Mr B's frustration that he was asked to provide a bank statement from an account he used to pay AESEL in the past, that for unknown reasons could not be verified. I also accept that although Mr B provided the account information, he was given a cheque which could be cashed into a different account. I don't think AESEL has explained clearly why it made that request and I think it likely it was for identity evidence rather than evidence of an account. I have made clear it's up to AESEL to decide how it complies with its regulatory duties about such matters.

Overall, I accept that AESEL could have dealt with what ought to have been a simple process of applying a refund more appropriately. But I also think it's paid an appropriate compensation amount of £25 and refunded the account balance. I don't think Mr B suffered any real financial loss and think his inconvenience was in providing the account identity documents as well as having to speak to AESEL on what I think were relatively short telephone calls. I also think this was a relatively small refund of just over £17 and I have not seen evidence of, for example, financial hardship caused by a slight delay in returning the balance.

I have made clear that I can't fairly comment on AESEL's process in these circumstances or why its systems could not locate Mr B's account.

I find this now brings an end to what we in trying to resolve this complaint informally can do.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 October 2023.

David Singh
Ombudsman