

## **The complaint**

Mr H says American Express Services Europe Limited (“AMEX”) refuses to refund him for transactions on his account which were made by the supplementary cardholder.

## **What happened**

The facts of this complaint are well-known to both parties, so I won’t repeat them in detail here.

In short, Mr H says AMEX allowed eight ATM withdrawals to take place on his account by the supplementary card holder (who I will refer to as “B”) which he is unhappy about. He says he no longer wanted B to have access to his account, but in the stress and upset of the breakdown of their relationship, had forgotten to cancel the card. While Mr H takes responsibility for his error here, he says AMEX should’ve blocked the transactions as suspicious as there were a lot of transactions for a high amount in another country. Mr H says this is out of character for his account, and had it contacted him before allowing them to be processed, it would have been able to prevent this loss.

AMEX says according to the terms and conditions of the account Mr H is responsible for all transactions made by supplementary card holders. And as these were all carried out using the genuine card and PIN, in a country where previous withdrawals had been made, there was nothing that flagged up as suspicious.

Our investigator considered this complaint and decided not to uphold it. Mr H didn’t agree, so the complaint has been passed to me 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.

Generally speaking, AMEX is required to refund any unauthorised payments made from Mr H’s account. As per section 83 of the Consumer Credit Act 1974 the consumer won’t be liable for any loss from the misuse of their credit facility unless they (or someone acting as their agent) used the facility.

In this case, Mr H applied for a supplementary card for B and so gave them permission to spend on his account. However, Mr H says the relationship broke down and he no longer wanted B to have his consent to use his account, but he didn’t inform AMEX until 26 September 2024.

The eight transactions in dispute were made on 24 September 2024 using the genuine supplementary card and correct PIN. And there is no dispute that this was correctly authorised by B. The terms and conditions of this account state that *“You (Mr H) are responsible for all use of your account by supplementary cardmembers and anyone they allow to use their account. This means you (Mr H) must repay all the transactions they make.”* So, I think it’s fair that AMEX has held Mr H responsible for these transactions.

Mr H says he is aware it was his mistake for not cancelling the card, however, he would like AMEX to take some responsibility for the loss. He says the transactions should've been flagged as suspicious and blocked by AMEX. Usually we would expect large payments, perhaps international payments, or payments significantly out of character to be flagged. However, the transactions in dispute were not blocked by AMEX's fraud detection. I've considered this carefully, but I don't think AMEX has done anything wrong, and I'll explain why.

Chip technology is complex and sophisticated, and there have been no known instances when the chip in the card has been successfully copied. This means that when the computer records show that the genuine card and chip has been used, the withdrawals are taken as not suspect. The transactions in dispute were carried out in Thailand, where previous undisputed transactions have been taken before. And although Mr H argues the disputed transactions were for a higher value than previously, it's not unusual for cash to be withdrawn in large amounts abroad. So I don't think AMEX did anything wrong by not blocking these transactions.

I know this outcome will come as a disappointment to Mr H, but for the reasons outlined above, I don't think it would be fair to ask AMEX to refund any part of the disputed payments.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 June 2025.

Sienna Mahboobani  
**Ombudsman**