

The complaint

A company, which I'll refer to as G, complains that AMERICAN EXPRESS SERVICES EUROPE LIMITED ('AMEX') hasn't reimbursed the money it lost to a scam.

Mr P, who is a director of G, brings the complaint on G's behalf.

What happened

Mr P says that he made three payments from G's account to purchase a vehicle, but the vehicle was never received. Although the payments were made from G's account, Mr P says that *"the purchase was a personal one with the intent to repay the funds once the car had arrived."*

Mr P reported the relevant payments as fraudulent and complained that AMEX didn't carry out due diligence to ensure they were going to safe and legitimate bank accounts. He said that, if it had, the scam would most likely have been uncovered.

AMEX declined to reimburse the payments. It said:

- the payments were processed in line with the terms and conditions of G's account.
- under the Payment Services Regulations, AMEX is not liable for correctly authorised payments.
- AMEX made every reasonable effort to recall G's funds once it was aware of the issue.

What did our investigator say?

Our investigator wasn't persuaded that AMEX could've uncovered a scam if it had intervened here, so he didn't recommend that it reimburse G.

Mr P asked for an ombudsman's final decision, so the case was passed to me to decide.

My provisional decision

I issued my provisional decision on 31 March 2025. I'll set out my findings below.

Mr P has told this Service that he made the disputed payments towards a personal purchase, with the intention of repaying G. They were not made for business purposes. This means that, if the funds have been lost to a scam, G hasn't suffered a loss as a result of them. Mr P owes G the money. It follows that I can't ask AMEX to reimburse G for a loss that it has not suffered.

As I have reached the conclusion that G didn't suffer a loss as a result of the disputed payments, I haven't gone on to consider whether the funds were lost to a scam.

Responses to my provisional decision

AMEX didn't respond to my provisional decision.

Mr P said that it doesn't matter if it was a business purchase or a private purchase – AMEX failed to conduct due diligence and money has been lost as a consequence. He also said that the vehicle was for dual use, both business and personal.

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've thought about what Mr P has said regarding the vehicle being for dual use. Considering his original testimony, I take that to mean the vehicle was a personal purchase which Mr P intended to repay G for, but he would have used the vehicle for both personal and business travel. As such, I see no reason to depart from the conclusions I set out in my provisional decision. The disputed payments were not made to purchase a vehicle on behalf of G, they were made to purchase a vehicle for Mr P (albeit that he might sometimes use the vehicle to carry out work for G) and he intended to repay G. So, G hasn't suffered a loss. Mr P owes G the money. And I can't ask AMEX to reimburse G for a loss that it has not suffered. To be clear, I have not gone on to consider whether AMEX made any errors when processing the disputed payments because, even if it had, I don't consider that it would be fair or reasonable to require AMEX to reimburse the disputed payments when G hasn't suffered a loss as a result of them.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 12 May 2025.

Kyley Hanson
Ombudsman