

The complaint

Mr S has complained American Express Services Europe Limited wouldn't accept a credit card account had been opened fraudulently in his name. He was also concerned that they required him to phone them to formally report this as fraud as he didn't see this as required by existing legislation.

What happened

In 2024 as he was being chased to pay a debt he didn't believe was his, Mr S contacted American Express. He told them he'd never taken out a credit card with them. He wanted them to accept this account was fraudulent and stop pursuing him for the debt related to it.

Amex told Mr S they wanted to talk to him about this issue. Mr S was concerned as this didn't suit his availability or lifestyle, nor did he believe Amex could mandate this requirement. As Mr S wouldn't phone them, Amex told him they would not be investigating the fraud he'd reported.

Mr S brought his complaint to the ombudsman service.

Our investigator reviewed the evidence which included a number of calls that the cardholder had made about the disputed account, reporting fraud and a stolen card. He believed it was possible that this person and Mr S were the same person. He also wasn't convinced that the usage of the Amex account matched what we normally see when we see fraudulent behaviour so wasn't going to ask Amex to do anything further.

Mr S objected to this finding. He provided evidence to show he was out of the country at the time the fraudulent account was being used. He also provided account statements for his other accounts to demonstrate that he'd not made the payments that had been made to the fraudulent account.

Our investigator approached Amex to ask them whether they'd now accept this account was fraudulent based on the evidence we'd provided. They confirmed they still wished to speak to Mr S.

Mr S has asked an ombudsman to consider his complaint.

I completed a provisional decision on 23 July 2025. I believed compensation should also be payable to Mr S for the delay he's had in getting this sorted. I said £200 was fair.

Mr S confirmed what he believed had been the impacts of Amex's delay and confirmed he felt £450 was fairer. Amex still believed they'd not been given the opportunity to investigate what had happened.

I now have all I need to complete my 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've reached a slightly different outcome to the one I intended in my provisional decision. As my revised outcome involves an increase in compensation to Mr S, I have already confirmed this to Amex and asked for their further comments.

As both parties are aware, existing legislation means that a customer cannot be held liable for a consumer credit debt unless the business can properly show they took out the agreement.

I have reviewed the evidence Amex provided which showed the details of the application. These details do appear to match Mr S's in some details but not in others. So for example, there is no evidence that the contact details provided (address, email and mobile) are Mr S's. But that alone doesn't mean the application was made fraudulently.

However, I have noted other evidence Mr S has provided. This clearly shows Mr S was not in the place the fraudulent account was used, nor did any payment towards that account come from any debit card obviously associated with Mr S. The direct debit set up on what Amex was convinced was Mr S's account (although I'm less convinced) was never activated.

I also don't believe that there is a standard behaviour which can be seen as fraudulent. This account was opened, transactions were made, and instalment plan payments were set up. Payments were also refunded to the card account when the fraudulent cardholder disputed these, and a new card was provided. It's certainly true that a fraudster would generally minimise contact with the card provider but if there was nothing to suggest that person was a fraudster, then I'm not sure what the risk really was in this case where the cardholder kept contacting Amex.

On the other hand, I've looked at the usage made of the Amex account, and I believe this was fraudulent.

I can also see that around this time, Mr S was a victim of ID fraud. Communication from another credit card provider confirms this. So overall I don't believe there's sufficient evidence to say Mr S applied for this Amex account.

Putting things right

I'm aware Amex says they've not had an opportunity to investigate what happened. But I believe they've known about the circumstances of Mr S's claim for a considerable period and for whatever reason, have decided not to carry out an investigation, despite them knowing our service was involved.

Amex will need to cancel the account and make sure their third-party debt collector stops pursuing Mr S for the related debt. The account will also need to be removed from Mr S's credit record.

I can see from Mr S's testimony that he has very strong views about how he was treated by Amex, including their requirement that they speak to him about this fraudulent account. It is not our service's role to tell card providers how they manage fraud claims, but they do have to meet legislative requirements in terms of accessibility and data protection. So unlike Mr S, I don't really believe Amex was breaking existing legislation.

I appreciate Mr S's views about this aspect. I have some sympathy that he wasn't making an unusual request to manage the complaint in writing. However, he was certainly aware that Amex had a stance about how they reviewed fraud cases and by him taking a principled

stance against this, I think it's likely this drew out what was happening. It may have been a lot easier if he had agreed to call them at the outset.

I'm aware Amex believes the voice of their caller and Mr S are the same person. Our investigator initially thought this may be the case too but no longer does.

Mr S has asked for a considerable amount of compensation which I won't be asking Amex to pay. The major reason Mr S has had a problem is that he was the unfortunate victim of ID fraud. I'm not convinced that Amex's checks were the ultimate cause here.

However, Mr S did provide evidence of the impact of Amex's stance on him. Amex deliberately lifted any suppression of the disputed information on Mr S's credit record, despite them being aware of Mr S's complaint. Mr S also provided our service of his bank reducing the credit limit available to him after the adverse entry was made clear.

I confirm that I am now asking Amex to pay Mr S £350 however as there has undoubtedly been an impact by their delay in getting this sorted and their overall stance, even when our service asked them to accept the account was opened fraudulently.

My final decision

For the reasons given, my final decision is to instruct American Express Services Europe Limited to:

- Cancel the card account in Mr S's name and ensure he is no longer asked to repay the debt;
- Remove this account from Mr S's credit record; and
- Pay Mr S £350 for the trouble caused.

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

Sandra Quinn
Ombudsman