

The complaint

Ms P complains American Express Services Europe Limited (“AMEX”) refuses to refund her for unauthorised transactions on her account.

What happened

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

In short, Ms P says she noticed two unauthorised transactions on her account from 16 April 2024 and raised these immediately with AMEX. She says she didn’t make the payments in question and didn’t give anyone else permission to do so on her behalf. So, AMEX should refund these as unauthorised. Ms P also says she has received inconsistent and erratic responses from AMEX which caused her undue distress. She says that her credit rating has been affected because of the disputed transactions, and she would like AMEX to rectify this and pay additional compensation.

AMEX says it considered Ms P’s complaint and reached out to the merchant involved, however, it doesn’t think the transactions were unauthorised. It says the payments were both made online but required a one-time passcode (OTP), which was sent to Ms P’s registered number, to complete the transaction. It also said that the merchant provided evidence that the items ordered were sent to Ms P’s registered address and it confirmed the items were delivered. So, AMEX didn’t refund the disputed amounts.

Our investigator considered this complaint and all the evidence supplied. Overall, he felt persuaded that the transactions were more likely authorised transactions, so he didn’t uphold the complaint. Therefore, AMEX had the right to debit this amount from Ms P’s account and any adverse information recorded about these payments on Ms P’s credit file would remain. He also stated that no additional compensation would be due here. Ms P wasn’t happy with this outcome, 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.

I’d like to reassure both parties that although I’ve only given an overview of what happened, I’ve read and considered everything we’ve been provided in its entirety.

When considering what’s fair and reasonable, I’m required to take into account relevant law and regulations; the regulator’s rules, guidance and standards; the codes of practice; and, where relevant, what I consider good industry practice at the relevant time.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

Generally speaking, AMEX is required to refund any unauthorised payments made from Ms P'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. Ms P has said she didn't carry out the transactions in dispute, but AMEX thinks she did. So, I have to give my view on whether I think Ms P authorised the transactions or not.

AMEX has provided evidence to show the two payments in dispute were card payments made using Ms P's card details online. This includes her long card number, the expiry date of the card and the CCV number associated with each unique card. So, whoever made these payments had access to this information. Ms P hadn't reported this card lost or stolen at the time; however, this alone doesn't persuade me that Ms P made these payments as there are many ways in which card details can be compromised.

AMEX has provided additional evidence that for each of these transactions it sent Ms P an OTP to her registered phone number. This was then used to confirm the payment on the merchant's website. I have seen this evidence, and I am persuaded that this shows AMEX sent the OPT to Ms P's phone number – the same number she had linked to her account since it had been opened. There are no known instances where this has been bypassed without the correct passcode being entered to complete a payment. So, I think it's likely the right code was entered into the merchant's website to finalise the payment.

Ms P says she has checked her phone and although she has received OTPs in the past she did not receive any on the date in question. We asked Ms P about suspicious calls or activity around the time, and her response was she doesn't recall any suspicious calls as this was over a year ago, but she certainly wouldn't have given out any OTPs. I have carefully considered what Ms P has said, however, as I've stated above there are no known instances where payments have been completed without the requested OTPs. So, on the balance of probabilities, it seems likely then that Ms P used the OTP to authorise the transactions, or she intentionally or unintentionally gave someone else the OTP to do so. And as such, the transactions would be deemed as authorised.

Ms P responded to the initial view disputing the claims made by AMEX that the items purchased via the disputed transactions were delivered to her address and signed for. She has provided evidence that the tracking number provided by DHL doesn't show any such evidence on its website. I have looked into this, and I agree that there is no persuasive evidence that the items were delivered to the address they were ordered to. However, I don't think this makes a difference to the outcome of this complaint and I'll explain why.

My role here is to determine whether the evidence provided persuades me that it's more likely than not that these transactions were authorised by Ms P. AMEX has provided evidence that the OTPs were sent to her phone and used to authorise these payments. More recently it has also provided evidence that transactions were carried out from the same IP address as 33 other genuine payments from Ms P's account which suggests the payments were made from the same device and location that Ms P has often made other payments from. While IP address evidence isn't conclusive in itself, when coupled with the OTP evidence is enough to persuade me it's likely the transactions were authorised. The information about the delivery of goods may be relevant evidence in raising a claim that the goods and services purchased weren't received, but this is not enough evidence to show these transactions were fraudulent.

While I know this outcome will come as a disappointment to Ms P, I don't think it would be fair to say AMEX should refund these payments as I am not persuaded these were unauthorised. Therefore, it follows then that any adverse information recorded about these payments on her credit file are to remain.

Our investigator concluded that no further compensation should be awarded in this complaint, and Ms P hasn't responded to dispute this finding. So, in the absence of any further evidence or comments I agree that no compensation is due.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 16 November 2025.

Sienna Mahboobani
Ombudsman