

The complaint

Mr C is unhappy that American Express Services Europe Limited ('Amex') allowed a transaction on his credit card, taking him over his credit limit, despite his request that the payment not be authorised.

What happened

The complaint circumstances are well known to both parties, so I don't intend to list this chronologically and in detail. However, to summarise, Mr C had a credit card with Amex, which he had linked to his account with a non-UK merchant I'll call 'A'. On 6 June 2025, A attempted to process a transaction for \$41,837.96 (£31,821.07). Amex spoke to Mr C about this transaction the same day, and Mr C said that he'd previously asked Amex not to process this transaction, and that he didn't think the transaction would be processed as it would take his balance above his credit limit.

However, Mr C had authorised the transaction with A and Amex explained that they are unable to cancel a transaction once it has been authorised. So, the transaction was approved, and Mr C was advised to speak to A about cancelling his order. Mr C did this and the transaction was reversed off his Amex account on 10 June 2025.

Unhappy with what had happened, Mr C complained to Amex. They didn't uphold his complaint, so he brought it to the Financial Ombudsman Service for investigation.

Our investigator said that Amex acted within the terms and conditions of the account by approving the transaction, and they didn't do anything wrong by doing so.

Mr C didn't agree with the investigator's opinion. He said that *"the charge was declined initially, and AmEx then overrode its own decline after telephoning me – proof that it had full control over the authorisation."* Mr C also felt that the payment was unauthorised under the Payment Services Regulations 2017 ('PSR'), and he referred to two pieces of case law that he said supported the fact that Amex shouldn't have processed the transaction.

Because Mr C didn't agree with the investigator's opinion, this matter has been passed to me to decide.

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 the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time. Mr C had a credit card account with Amex. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

I've reviewed Amex's case notes relating to Mr C's account and specifically the transaction in question. I've seen nothing in these case notes that indicate that they weren't made at the time, or that they aren't a true and accurate reflection of what happened. As such, I'm satisfied these are reasonable to rely upon.

The case notes cover the period 27 February to 27 June 2025, although all entries prior to 6 June 2025 relate to notifications of interest rate changes. On 6 June 2025, Mr C contacted Amex through the online chat function. The details of this conversation aren't recorded on the case notes but, based on the other evidence available, I'm satisfied this was when Mr C asked Amex not to process an upcoming transaction with A, and Amex indicated they wouldn't do so.

The case notes also show that Mr C called Amex the same day to discuss cancelling the transaction. The notes show that Mr C had authorised the transaction with A, which was higher than his credit limit, and, although he'd asked Amex not to approve the transaction, it had been approved.

Amex have explained, both in their complaint response letter to Mr C dated 21 June 2025, and in their submissions to this service about the complaint, that, once a transaction has been approved with a merchant, it cannot be stopped. Mr C believes this is not the case, and has referred to the PSR, and says that "*a customer may withdraw consent for a future card payment by telling the issuer.*"

Regulation 67(3) of the PSR says that "*the payer may withdraw consent to a payment transaction at any time before the point at which the payment order can no longer be revoked under regulation 83.*" Regulation 83(2) explains that a payment cannot be revoked after giving the merchant consent to initiate the payment, and 83(4) explains that any request for revocation must be made no later than the end of the business day before the transaction is due to be collected.

Mr C has also referred to regulation 74, but this only applies to unauthorised transactions. In this instance, the transaction was authorised, and Mr C's request to revoke the transaction was made on the same day the transaction was collected. So, despite Mr C making this request *before* the transaction had been applied to his account, it was made too late under regulation 83 of the PSR, so Amex were entitled to process the transaction.

Mr C has also referred to two separate pieces of case law. The first of these relates to a failure of a duty of care. However, as explained above, due to when Mr C asked Amex not to process the transaction, it was outside of the timescales set by the PSR. So, I'm not satisfied this case law is applicable in the circumstances.

The second piece of case law Mr C has referred to only applies to fraudulent transactions. As Mr C authorised the transaction, and there has never been any indication this was a fraudulent transaction, I'm also not satisfied this case law is applicable in the circumstances.

So, in conclusion, and while I appreciate this will come as a disappointment to Mr C, I'm satisfied that Amex acted fairly and reasonably by processing this transaction, even though it took the balance over the credit limit. And I won't be asking them to do anything more.

My final decision

For the reasons explained, I don't uphold Mr C's complaint about American Express Services Europe Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 February 2026.

Andrew Burford
Ombudsman