

The complaint

Mr A complains that AMERICAN EXPRESS SERVICES EUROPE trading as American Express unfairly refuses to refund him money he says he lost in a scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I haven't repeated them in detail here. Instead, I've summarised what I consider to be the key points.

Mr A says he was scammed by someone posing as his employer, who contacted him using a popular messaging application and asked him to buy gift cards for the team. He says he was new to the company and thought he was being contacted by his genuine employer, so he agreed.

Mr A bought three gift cards, but only one was purchased using his American Express card, with which he made one payment of £195, on 8 May 2025. Once he had bought the gift cards, he was asked to screenshot the code on the back of the gift cards and send it to the scammer, which he did. The scammer asked him to buy more gift cards, but Mr A said he didn't have any more money. Mr A realised he had been scammed when he spoke to his genuine employer sometime later.

Mr A says he was scammed, he was put under pressure to act quickly and he would like American Express to refund him.

American Express says the payment was authorised, using Mr A's genuine card and PIN. It says Mr A didn't check with his employer before buying the gift card and the messages he received weren't from numbers or addresses associated with his employer.

Our Investigator didn't uphold Mr A's complaint. They said the payment wasn't large enough or unusual enough to lead them to conclude that American Express should have intervened to block the payment or asked further questions about it. They noted that Mr A had made payments of a similar size seven days before the disputed payment. The investigator also said they didn't think American Express could have recovered Mr A's money, since it had been paid to a legitimate merchant and Mr A had received the goods he paid for, namely the gift card.

Mr A didn't accept the Investigator's conclusions and asked for an ombudsman's decision. He said he didn't think it was a fair outcome as he was a loyal American Express customer and he had provided evidence he had been scammed. This scam had caused him mental stress and financial difficulty. He has been the victim of other scams and is suffering from ill health, all of which has contributed to putting him under further financial strain.

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, while I have considerable sympathy for Mr A and I was sorry to read about the financial and health issues he is facing, I'm not upholding his complaint. I'll explain why.

The APP scam reimbursement rules which came into effect on 7 October 2024 don't apply in the circumstances of Mr A's complaint. That's because the payment was made by credit card and credit card payments aren't covered by those rules.

The starting position is that a firm is expected to process payments that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr A authorised the payment and American Express made the payment in accordance with Mr A's instructions.

Taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I consider American Express ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr A's account and the payment he made as part of this scam. Having considered when it was made, the value and who the payment was made to, I'm not persuaded American Express ought to have found the payment suspicious, such that it ought to have blocked it or made enquires of Mr A before processing it. The payment was relatively small, and it wasn't out of character with other payments Mr A had made in the days before this payment. The payment was being made to a well-known and legitimate merchant and it wasn't part of a suspicious pattern of payments. Rather it appeared to be a one-off payment. Overall, there wasn't anything suspicious about the payment that ought reasonably to have caused American Express to intervene, in my view.

American Express would not have been able to raise a successful chargeback claim or a claim under Section 75 of the Consumer Credit Act, to try and recover Mr A's money. That's because a chargeback claim would need to be raised against the merchant. But, in this case, there wouldn't be grounds to raise a claim against the merchant because it had supplied Mr A with a genuine gift card. In some circumstances, Section 75 makes the provider of credit liable for a breach of contract or misrepresentation by a merchant. American Express is the provider of credit here, but once again, there was no breach of contract or misrepresentation by the merchant because Mr A was supplied with a genuine gift card by a legitimate merchant.

Whilst Mr A appears to have been the victim of a cruel and opportunistic scam and I don't doubt how distressing this has been for him, I don't find there were any failings on American Express's part that would lead me to uphold this complaint.

My final decision

I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 March 2026.

Greg Barham
Ombudsman