

## **The complaint**

Mr I is unhappy AMERICAN EXPRESS SERVICES EUROPE LIMITED won't reimburse him for transactions on his account completed by a third-party using his credit card.

## **What happened**

The facts of this complaint are well known to both Mr I and American Express, so I won't repeat them in detail.

Briefly:

- Mr I used a third-party builder (M). Mr I says he was coerced into allowing M to use his American Express credit card to complete the purchases needed for building work.
- Mr I said the card was never physically in his possession, that his authority to use the card was given under false pretences, and no goods or services were received.

To put things right, Mr I asked American Express to refund the disputed transactions totalling around £6,000.

American Express said it had called Mr I after some of the transactions flagged as potentially fraudulent. During that call, it said Mr I confirmed there was no fraud occurring on his account. American Express didn't think it acted unfairly by declining to refund the disputed transactions and didn't uphold Mr I's complaint.

Our investigator concluded that based on the messages between Mr I and M, that Mr I had given M his physical credit card and PIN and consented to him using the card. So she was satisfied that Mr I authorised (and consented) to M using the card and that American Express shouldn't refund him.

Mr I disagreed with this outcome. He reiterated that he was coerced and pressured into allowing M to use his card. He points out that the purchases were not for his benefit and as such, believes this proves he was exploited and his credit facility was misused.

As an agreement couldn't be reached this complaint has been passed to me for a 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, my conclusions are the same as our investigator and for materially the same reasons. I'll explain why.

Before I go through this, I want to acknowledge that I have summarised this complaint briefly and in less detail than has been provided. I've concentrated on what I think is the main parts of the complaint. While I may not comment on every complaint issue, I have considered it.

I'm satisfied that I don't need to comment on every individual issue or argument to be able to provide what I think is a fair outcome. Our rules allow me to do this due to our service being informal and a free alternative for consumers to the courts.

I also want to acknowledge that Mr I has highlighted that this has been a very stressful period for him and he has contacted multiple agencies, including the police about this. I'm sorry to hear about the impact this has had on Mr I. Within this decision I'm limited on commenting on the actions of American Express, not M – and whether American Express acted fairly in not refunding Mr I. What Mr I is asking for here is for American Express to refund money that was spent on his card from its own pocket. So, I have to consider what is fair for both parties.

Under the Payment Services Regulations 2017, generally, American Express can hold Mr I liable for the disputed transactions if there is evidence that he made or authorised them. The Payment Services Regulations also make provision for the Consumer Credit Act 1974 to apply, and where a credit facility has been used, the relevant legislation is section 83 of the Consumer Credit Act 1974.

I've also considered the terms and conditions of the account as they set out what both American Express and Mr I agreed to. These say that Mr I would need to keep his card "safe and secure" and "not let others use the account or card". It goes on to say that Mr I must not

- "give [his] physical card to anyone else except when [he needs] to present his card to pay for goods or services".
- "Not share [his full] card PIN number . . . . with anyone"

So by giving M his American Express credit card and PIN, Mr I was acting contrary to the terms of the account.

I've also considered the relevant legislation, which is the Consumer Credit Act 1974 (CCA) – section 83 and section 84.

The relevant part of section 83 says:

- (1) The debtor under a regulated consumer credit agreement shall not be liable to the creditor for any loss arising from use of the credit facility by another person not acting, or to be treated as acting, as the debtor's agent.

Here the debtor is Mr I and the creditor is American Express. Applied to the situation here, under section 83 of the CCA American Express cannot hold Mr I liable for the misuse of a credit facility unless the person using the facility (M here) is acting as, or is to be treated as acting as, the debtor's agent. However, section 84 of CCA sets out some exceptions to section 83.

The relevant part of section 84 says:

- (2) Section 83 does not prevent the debtor under a credit-token agreement from being made liable to any extent for loss to the creditor from use of the credit-token by a person who acquired possession of it with the debtor's consent.

A credit token is defined in section 14 of CCA and includes a credit card. So applying this to Mr I's complaint, American Express can hold Mr I liable for any loss resulting from the use of his credit card by M if M acquired possession of the credit card with Mr I's consent.

It isn't disputed that the transactions Mr I is disputing were completed using his credit card. I've carefully reviewed the messages between M and Mr I. On 2 July, in the chat Mr I

expressly says that he gave M the card and that M had been using it. In the chat he also says he will pay using his card “or when [M] comes [he] will give [M] the card to take with [him] if [he wants]”. In addition, on 6 June 2025 Mr I says to M that he did not stop the card, that he told American Express the transaction was not fraud, and that M can “use the card”. There are also screenshots in the chat following a call between M and Mr I where he shares multiple “Amex SafeKey codes” for his credit card on 27 June 2025. Based on the messages I have seen, I’m satisfied that on balance M acquired possession of Mr I’s credit card with his consent.

Mr I says he was coerced and manipulated into giving his credit card to M and as the things purchased weren’t for his benefit he believes that American Express should refund him. However, the messages between M and Mr I do not support the suggestion that Mr I was coerced into handing over the card. Instead, they show that M was using the card with Mr I’s consent and within the agreed spending limit. Mr I believed that M was purchasing goods to complete a building project.

Throughout this period, when Mr I was contacted by American Express, he informed them that the transactions completed by M weren’t fraudulent. He also did not take any steps to prevent M from using the card. I’m therefore satisfied that M acquired possession of Mr I’s card with Mr I’s consent.

Mr I said that as M purchased things that weren’t for his benefit this shows that his credit facility had been misused. However, the CCA doesn’t mention this distinction. The relevant provision says the misuse of a credit facility by another person (section 83) does not apply where a person (here M) gets possession of Mr I’s credit card with Mr I’s consent. There isn’t a requirement that the subsequent transactions need to be for Mr I’s benefit in order for Mr I to be liable. As I’m satisfied that the card was obtained with Mr I’s consent, I’m satisfied that American Express acted fairly in holding Mr I liable for the payments.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr I to accept or reject my decision before 21 May 2026.

Sureeni Weerasinghe  
**Ombudsman**