

## **The complaint**

Miss S is complaining that AMERICAN EXPRESS SERVICES EUROPE LIMITED trading as American Express hasn't refunded payments she made as part of a scam.

## **What happened**

The circumstances of the scam are known to both parties, so I won't set them out in detail here.

In short, Miss S was the victim of an impersonation scam and was tricked into buying gift cards on with her American Express credit card from two retailers and sending the codes to the scammer. She made six payments totalling £900 to the first retailer, and a further four payments totalling £800 to the second retailer.

American Express didn't agree to refund the payments, so Miss S brought a complaint to our service. But our Investigator didn't think American Express should have done anything to prevent the payments. Miss S didn't agree, so her complaint has been passed to me for review and 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, I've reached the same outcome as the Investigator – and for much the same reasons.

When a payment is authorised, American Express has a duty to act on the payment instruction. But, in some circumstances it should take a closer look at the circumstances of the payment. For example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that American Express processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected American Express to have identified a scam risk and intervened by contacting Miss S to ask about the circumstances of the payments. These payments were not high in value, they were made to well-known retailers, and Miss S remained within the agreed credit limit. The frequency of the payments being made to the same retailers could appear suspicious, but looking at the number of payments, their frequency and their value combined, I don't think American Express should have been sufficiently concerned about the risk of financial harm to Miss S through a scam that it ought to have taken a closer look at what was happening here.

For completeness I would add that I don't think American Express could have done anything to recover the payments once the scam had been reported to it. There's no mechanism to recall or cancel card payments, even when they're in a pending state, and I can't see that there are any reasonable grounds for American Express to have raised chargeback claims under its rules. And there's no dispute that the goods Miss S had paid for here were provided, so any claim under Section 75 of the Consumer Credit Act 1974 is unlikely to succeed.

I can see that American Express's response to Miss S's scam report wasn't particularly detailed in recognising a scam had taken place, but that doesn't mean the outcome of the claim was incorrect. While I can appreciate Miss S's point in raising this, I don't think American Express need to pay any compensation.

I'm really sorry to disappoint Miss S. I can understand why, as the victim of a cruel scam, she'd think she should get her money back. But I've not found that American Express ought to have done anything else to prevent the payments she made, or to recover them once the scam had been reported. So, it wouldn't be fair or reasonable for me to direct it to refund them.

### **My final decision**

My final decision is that I'm not upholding Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 25 February 2026.

Helen Sutcliffe  
**Ombudsman**