

The complaint

Mr S complains about a fee American Express Services Europe Limited applied to a purchase he made using his credit card.

What happened

Mr S bought a high-value item in a foreign currency; he was notified initially, by the AmEx mobile app, that the Pound Sterling amount was around £2,953. A few days later Mr S noticed the amount was, in fact, more than that – a total of around £3,041 had been charged to his AmEx card, about £90 more than he was expecting. Mr S queried this discrepancy and AmEx, in response, explained that the transaction had attracted a 2.99% fee – that's a fee applicable to all transactions made in a foreign currency, like Mr S' was, which was added after the payment went through.

Mr S complained. He said that AmEx hadn't been clear, and the initial Pound Sterling amount shown to him was misleading if a further fee was always going to be applied later. Mr S felt misled, and he wanted AmEx to pay him some compensation to recognise the distress and inconvenience. AmEx didn't uphold Mr S' complaint. In short, it said it had applied the foreign transaction fee in-line with the terms and conditions of Mr S' account.

Unhappy with that, Mr S contacted our Service for an independent review. An Investigator here considered what had happened; having done so, they didn't think Mr S' complaint should be upheld. While empathetic to Mr S' point of view, the Investigator concluded that AmEx had indeed acted in accordance with the account terms. The Investigator also thought it reasonable that any relevant fee was applied after the transaction was successful. If it wasn't, customers whose purchases weren't successful – for whatever reason – would likely be disadvantaged.

Mr S didn't accept that; he maintained his view that AmEx had been deliberately misleading. So, as no agreement has been reached, Mr S' complaint 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.

It's not in dispute that AmEx could apply a foreign transaction fee to this purchase; it was, after all, a foreign transaction and therefore legitimately attracted such a fee. Mr S' point, I think, is that the application of the fee *after* he'd been notified of the purchase amount in

Pound Sterling is misleading. Much like our Investigator, I do understand Mr S' point of view here. I've no doubt it would've been frustrating to expect to be charged one amount, only to be charged another. That said, I don't consider AmEx to have made an error; so, I'm not going to ask it to take any further action.

To explain, and broadly speaking here, I don't think it's irrational, or indeed inherently unreasonable for such a fee – like those applicable to foreign transactions – to be applied once a payment is successfully made. If it wasn't, and the fee was routinely applied upfront, a customer who makes a foreign payment which then isn't successful – for whatever reason that may be – might be at a disadvantage; they may have paid a fee for something which then didn't happen, and they would likely have to go to some trouble to reverse that.

That's not to say I don't see why Mr S holds the view that he does; fundamentally, though, I'm not persuaded that AmEx is acting in an intrinsically misleading way. It first shows the purchase amount in Pound Sterling, then applies the relevant fee once the transaction has been completed. Nothing about that makes me think AmEx is being purposefully deceptive and, although Mr S would prefer it if things worked differently, I don't think it's unreasonable.

Mr S is, of course, able to provide feedback around AmEx's process in situations like this – and it should take any constructive comments from its customers on board. But it's not within my power to force, or compel, AmEx to change such processes. Ultimately, the fact is that AmEx is entitled to take commercial decisions – like how and when it applies charges – for itself.

In closing then, and to sum up, I don't think AmEx has acted unfairly or unreasonably toward Mr S here; it applied a fee in-line with the terms and conditions of Mr S' account, and I don't think it did something wrong by applying that fee after the purchase had been successful. It follows that I don't require AmEx to do anything else.

My final decision

My final decision is that I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 February 2026.

Simon Louth
Ombudsman