

## **The complaint**

Mr F complains that American Express Services Europe Limited (AMEX) is holding him responsible for a payment he says he didn't make or allow anyone else to make.

Mr F is being represented by a family member here but for ease of reading I'll only refer to Mr F in the decision.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, on 1 February 2025 a payment of £1,080.95 for flights was made using Mr F's credit card. The same day Mr F raised a dispute for the payment, but AMEX decided after investigating his claim that he likely authorised the payment.

Mr F brought his complaint to this service, and our Investigator said the complaint should be upheld and AMEX should refund the outstanding loss £863 with 8% interest and £150 compensation. Mr F agreed but AMEX disagreed.

## **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.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

A consumer should only be responsible for transactions made from their account that they've authorised themselves. Mr F has said they didn't give any permission for the transactions in dispute to be made but AMEX believes he did. My role then is to give a view on whether I think Mr F more likely than not authorised his daughter to make the transaction, based on the evidence I have available.

For a payment to be authorised, AMEX must show that it was authenticated correctly and why it thinks Mr F consented to it. Here AMEX has provided audit information to show the payments were made to a trusted merchant and which AMEX believes shows a One Time Code (OTC) was sent to verify the transaction. I note AMEX says that it uses a software that enables its cardholders to create a list of trusted merchants to enable payments to be made without them being unnecessarily declined. I've also considered that AMEX's terms and conditions state that if Mr F allows someone else to use his card then he is responsible for the transaction.

But Mr F says that when his daughter was paying for the flights it was on her device and that she entered her name and a CVV number that wasn't linked to Mr F's AMEX card. He says no OTC was received on his device and therefore wasn't supplied to his daughter.

Overall, I don't think I can reasonably say that Mr F authorised this transaction. This is a finely balanced case. But after considering everything that's been presented I don't think I can fairly conclude that Mr F did authorise the transaction or that he had knowledge of his daughter using his card details. His daughter herself has been consistent in her testimony that she had used the credit card a few years ago which is why the long card number was suggested on her device. And that the CVV and the name she added to the system when making the payment wasn't Mr F's. Even when taking into account AMEX's explanation in relation to its trusted merchant list (SafeKey), I find it slightly worrying that the payment went through so easily in the circumstances.

I note AMEX's believes its system shows an OTC was sent for this payment. But that evidence isn't very persuasive and appears to be in relation to another payment – not the airliner. So, I'm not persuaded that AMEX has provided persuasive evidence that an OTC was sent here. Even if it did, I think it's possible that this wasn't received by Mr F here. It's not uncommon for those OTC messages to sometimes not be received. And given the system allowed the daughter to make a payment with the incorrect CVV number and the wrong name on the account it's clear that payments can be made on an AMEX card without all the necessary security information.

However, because I'm satisfied that Mr F – on balance – didn't provide his authorisation for his daughter to use the card (hence why she made the payment again from her own account shortly afterwards and queried how the payment went through with the airline), I don't think I can reasonably say this payment was correctly authorised by Mr F. And because I can't reasonably say that he authorised it under the Payment Services Regulations, I can't reasonably find that he should be liable for the payment. Under those same regulations it falls on the card issuer (AMEX) to be liable. Not the airliner as AMEX has said in its submissions.

Our Investigator said that AMEX should pay £150 in compensation due to Mr F's vulnerabilities being exasperated by this complaint. I agree with those points and the amount seems reasonable to me and in line with what this Service would normally look to award in similar cases.

Because the airliner provided a partial refund of £217.95 the outstanding loss is £863. So, AMEX should refund that amount and add 8% interest to that amount from the date of the payment to the date of settlement.

### **My final decision**

My final decision is that I uphold this complaint. American Express Services Europe Limited must do the following;

- Pay Mr F £863
- Add 8% simple interest to this amount from the date of the payment to the date of settlement
- Pay Mr F £150 in compensation.

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

Mark Dobson  
**Ombudsman**