

The complaint

Ms K complains that American Express Services Europe Limited (AESEL) gave her inaccurate information during a live chat session, which led to her making payments to a scammer.

What happened

On 12 October 2022 Ms K AESEL account details were compromised after she fell victim to a phishing scam. She realised what had happened quickly and contacted AESEL that same day to let it know, as a result her AESEL card was cancelled and a new one was issued.

The next day Ms K was contacted by someone claiming to be from AESEL, they said her accounts with her main bank (L) were at risk and convinced her to move money out of that account to another account she held (with R) and on to “safe accounts”. Unfortunately, and unknown to her at the time, Ms K was not dealing with a legitimate representative of AESEL, she was actually sending her money to the scammers.

Partway through the scam Ms K contacted AESEL via the live chat function to ask for reassurance that the person she was speaking with was legitimate. AESEL’s answers to her questions indicated that they were. Ms K says that without this reassurance from AESEL she would not have gone on to transfer so much to the scammers.

AESEL looked into Ms K’s concerns, it felt that there had been a misunderstanding between Ms K and the agent she spoke with via the live chat. It paid £500 to Ms K, as a gesture of goodwill, to recognise the impact of this. But it did not agree that it should be held responsible for any of her financial loss.

Ms K was unhappy with AESEL’s response and so referred her complaint to our service. One of our Investigator’s looked into what had happened. Ultimately they found that the banks that the payments to the scammers had been made from (L and R) should share responsibility for Ms K’s financial loss. They did not feel that AESEL could be held liable for any of Ms K’s loss, and they felt the compensation it had paid to her was reasonable.

Ms K remained unhappy with how AESEL had handled things, so her complaint has been passed to me for review.

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 conclusions as our Investigator.

I’ve looked closely at the records of Ms K’s live chat conversation with AESEL, and I think it’s likely that there was a measure of confusion between what Ms K was asking about and what the staff member understood her to be saying. Ms K first asked if the number she had been called on was an AESEL number, and the agent confirmed it was, this was correct, it

appears the scammers had “spoofed” AESEL’s number. Ms K then asked if there was an active fraud case for her, the agent said there was. It would appear that the agent was referring to the case that Ms K had raised when she had been the victim of the phishing text a few days earlier.

However, Ms K then says in the chat that she had a call from someone saying they worked for AESEL the previous day (13 October 2022) and has been on the phone with them that day too, she also says they have “moved so much money around” and that she wants to check this person is legitimate. The agent Ms K is chatting with then says that they can see that notes have been updated on her account regarding this and that it was a legitimate call. This was inaccurate, I haven’t seen anything to suggest that there was a legitimate call to Ms K from AESEL on 13 or 14 October 2022.

I’m satisfied that this inaccurate information directly contributed to Ms K believing that the scammers she was dealing with were legitimate employees of AESEL. But even with this in mind, I don’t consider it would be fair to hold AESEL responsible for Ms K’s financial loss from her accounts with L and R. Ultimately, those institutions are responsible for the payments Ms K made – and we have made findings to that effect on the cases Ms K has referred to us about L and R – and AESEL was not involved in those payment journeys in any way.

However, I do think it is reasonable that AESEL pay Ms K compensation to recognise the significant impact that its error had on her. And, having thought carefully about all that has happened, I am satisfied that the £500 AESEL has already paid to Ms K is reasonable compensation in all the circumstances of this complaint, so I won’t be recommending that it do anything more.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms K to accept or reject my decision before 22 February 2024.

Sophie Mitchell
Ombudsman