

The complaint

Mr F complains that American Express Services Europe Limited (AESEL) failed to set up a direct debit on his account and recorded a late payment on his credit file.

What happened

In May 2024 Mr F applied for a British Airways American Express Premium Plus credit card.

Mr F didn't use the card to make any purchases but later discovered that a card membership fee had been charged to the account and a late payment marker reported.

Mr F says he wasn't told when the card membership fee would be applied to the account and wasn't informed about the late payment. He found out about the late payment marker when his credit score alert triggered.

Mr F contacted AESEL and raised a complaint. During the call he set up a direct debit as this had not been done previously.

AESEL issued a final response on 7 August 2024 in which it said it wouldn't be upholding the complaint because it hadn't made an error. AESEL said that the payment due date for the May 2024 statement was 22 June 2024, which showed a balance of £300, and the minimum payment of £30.50 wasn't made in time. AESEL said that the direct debit on the account wasn't set up until 3 July 2024.

Mr F remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions stated that the card membership fee would be applied on the due date of the first statement and that because Mr F hadn't made the minimum payment by the due date of 22 June 2024, the late payment marker had been correctly applied.

Mr F didn't agree. He said he didn't think AESEL had complied with the requirement to provide a good outcome for the customer under the Consumer Duty. He also said it wasn't fair for AESEL to rely on terms and conditions in small print. Mr F said he'd never received the welcome email advising him how to set up a direct debit or the monthly statement. He said he didn't even know that the account was open, that he hadn't used the card and that he wasn't expecting to pay anything.

Because Mr F didn't agree I've been asked to review the complaint.

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 reviewed the terms and conditions of the account. Mr F accepted these terms and conditions when he took out the card.

The terms and conditions state that with products which have an annual membership fee, the fee will be applied on the first statement and annually thereafter.

The terms and conditions also state that card members must pay the minimum amount due each month by the payment due date.

The terms and conditions also state that if a payment is missed, additional charges may be applied, and the card members credit rating may be affected.

In this case Mr F took out the card on 1 May 2024 and the first statement was issued dated 28 May 2024 with a payment due date of 22 June 2024.

The account history shows that Mr F didn't make a payment by the payment due date. He made the minimum monthly payment on 3 July 2024.

Looking at the statement dated 28 May 2024, I'm satisfied that it is clearly stated that a minimum payment of £30.50 is required to be paid by 22 June 2024. Based on what I've seen, I'm unable to say that AESEL made an error when it recorded a late payment on Mr F's credit file. AESEL – like all lenders – is obliged to report accurate information to the credit reference agencies and in this case, I'm satisfied that AESEL reported the status of the account correctly.

Mr F has said that he didn't know that the account was open, and he didn't know that he needed to make a payment. I've thought about this, but I can see that an email was sent to Mr F on 29 May 2024 advising him that his monthly statement had been produced. The statement was available for Mr F to access online. The statement (as I've said above) makes it clear that a minimum payment of £30.50 was required by 22 June 2024. It's the consumer's obligation to check their statement and make any required payments due by the due date.

Mr F has said that he requested to set up a direct debit when he took out the card. I've reviewed all the information provided but I can't see any evidence that this was the case. I can see that AESEL sent Mr F a welcome email on 1 May 2024 when he took out the card which informed him on how to set up a direct debit. However, I can't see that a direct debit was set up by Mr F at this time. I can see from the account history that a direct debit was set up on 3 July 2024.

Mr F has queried whether the welcome email and the statement ready email were sent to him at the correct email address. This service asked AESEL to provide its email records and having checked these, I'm satisfied that the communications were sent to Mr F at his registered email address. Mr F has queried whether these were received by him but based on what I've seen the emails dated 1 May 2024 and 29 May 2024 which I've referred to above were delivered.

Finally, Mr F has referred to the Consumer Duty. He's said that AESEL has failed to ensure a good outcome for a retail customer. I've had regard to the Consumer Duty while considering this complaint. However, the principles don't mean that every complaint which is raised against a provider of finance will be upheld.

Having considered all aspects of Mr F's complaint I haven't seen anything to suggest that AESEL made an error or treated Mr F unfairly. I won't be asking AESEL to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 May 2025.

Emma Davy
Ombudsman