

The complaint

Mr G complains that American Express Services Europe Limited (AESEL) has recorded a missed payment on his credit file.

What happened

Mr G has a credit card account with AESEL. Mr G didn't make a payment by the payment due date of 28 June 2024 and so AESEL recorded the repayment with the credit reference agencies as having been made late.

Mr G says that the payment was late because AESEL didn't set up a direct debit for him or request a repayment from him. He said the reason the payment was late was due to a billing error by AESEL.

AESEL responded to Mr G but it didn't uphold his complaint. It said that the due date for his June 2024 payment was on 28 June. A payment wasn't received until 16 July 2024, and so the payment had been recorded as having been made late with the credit reference agencies, which it felt was accurate reporting and so it decided not to remove this.

An Investigator considered what both parties had said, but they didn't think Mr G's complaint should be upheld. They confirmed that there wasn't the option for Mr G to set up a direct debit at application stage, and they were satisfied that AESEL had provided Mr G with information about how he could set up a direct debit after the account had been opened. The Investigator also found that AESEL had sent Mr G an email letting him know his statement had been produced, which explained what the payment due date was. The Investigator ultimately didn't find that AESEL had done anything wrong.

Mr G didn't agree with the Investigator's view. In summary, he made the below main points:

- In the email he received from AESEL following his application, it said "During the application process, you agreed to receive electronic communications, including paperless statements". But AESEL didn't send any notification to say that a payment was due.
- AESEL didn't make it clear that he would need to manually set up a direct debit. AESEL didn't communicate with him in a way that was clear.
- He has provided evidence to show that he could have made the payment. The issue was not with affordability.
- AESEL agreed to refund interest and the late payment fee, which implies it has accepted it was at fault.
- The statements aren't evidence that a manual payment was expected.
- He has experienced financial losses as he has now closed the account and missed out on £100 cashback rewards.
- AESEL is reporting the payment as being missed and not late which isn't accurate.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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 considered all of the evidence available, I don't uphold Mr G's complaint. I appreciate this decision will come as a disappointment to him, as I can see how strongly he feels about what has happened. However, for me to be able to uphold his complaint, I'd have to find that AESEL did something wrong, and I haven't found this.

There is no requirement for a direct debit to be set up on an AESEL account. Because of this, there is no option for a direct debit to be set up during the application process. I have received confirmation from AESEL it did request bank details from him as part of the application process itself, but there was no option to set up a direct debit at this stage, because there was no requirement for one to be put in place.

I can see that AESEL sent Mr G a welcome email. This provided him with a link to information about how he could set up a direct debit. I understand that Mr G doesn't think this email was clear that a direct debit hadn't been set up. However, I think the email, coupled with the fact that he hadn't been asked to set up a direct debit during the application process ought to have made Mr G aware that a direct debit wasn't in place.

In any event, my role is to look to see if AESEL had done anything wrong. Given that there were multiple ways Mr G could have made repayments, the email sent to him was simply to explain how he could set up a direct debit. And because it hadn't previously gone through steps to set up a direct debit, I don't see there was any requirement of AESEL to confirm that there wasn't a direct debit in place – because the terms and conditions of the account didn't require one to be set up and there are multiple ways its customers can pay the account.

Overall, I don't find that the communication sent to Mr G regarding the setting up of a direct debit was poor or misleading.

I can see that Mr G was sent an email when his statement was ready to view. The email provides links for Mr G to pay the amount and/or view the statement. The statement also includes the payment due date, so I can't agree that AESEL didn't make him aware of when the payment was due. I appreciate Mr G says he wouldn't have acted on this because he thought he had a direct debit in place. But for the reasons I've already explained, I haven't found that AESEL provided Mr G with misleading information about the direct debit. It was ultimately up to Mr G to make the payment by the due date, and because this wasn't done, a late payment was recorded with the credit reference agencies. I don't find this to be unfair or unreasonable.

From what I've seen, AESEL agreed to refund the late payment fee and the interest that was applied to his account. I don't agree with Mr G's comments here that this shows it has accepted fault. Firms such as AESEL are entitled to offer a gesture of goodwill, without accepting liability, which appears to have happened here. AESEL are required to report accurate information to the credit references agencies, and because the payment was late, it was required to report this, which is likely the reason it didn't offer to remove the marker on his credit file, as a gesture of goodwill.

I have noted that the payment made late wasn't as a result of Mr G not having the funds to pay. But, as I've explained, AESEL are required to report accurate information to the credit reference agencies about how someone has managed their account. And because the payment was late, it is required to report this.

I note that Mr G has provided this service with evidence to show that the credit reference agency is reporting the payment as having been missed as opposed to being late. When a payment is missed or late, it is recorded in the same way by financial firms – essentially that the account was in arrears for that month. Some credit reference agencies show this as a missed payment. I can see that AESEL are reporting the late payment in the way I would have expected it to. I can't hold AESEL responsible for how this is being presented on his credit file by the credit reference agency.

Overall then, I can't fairly conclude that AESEL has acted unfairly or unreasonably in reporting the missed payment. I haven't seen any evidence to suggest that it told Mr G that there was a direct debit set up on the account, or that it went through the process to set up a direct debit at any stage. AESEL provided Mr G with options about how he could make payment, and it told him when the payment due date was. Payment wasn't received by the due date and so this was reported to the credit reference agencies. As a result I can't fairly conclude that AESEL did anything wrong.

My final decision

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 September 2025.

Sophie Wilkinson
Ombudsman