

The complaint

Mr I has complained American Express Services Europe Limited lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In June 2024 Mr I applied for a credit card with Amex. He was granted a credit limit of £3,200. In the first month the account was open Mr I spent £530. His minimum monthly payment was £25. Mr I didn't make this payment.

On 5 July 2024 Amex reviewed Mr I's account and asked him to provide additional information. He shared monthly payslips and bank statements. Amex told Mr I they were closing his account within 60 days on 9 July 2024 and blocked further use of the card.

Amex also lodged a fraud-related marker on Mr I's record with CIFAS, on the basis he'd evaded payment.

After Mr I had problems with his main bank account, he complained to Amex about the fraud marker in 2024.

Amex didn't feel they'd done anything wrong and refused to remove the marker.

Mr I brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed Amex hadn't provided enough evidence to show Mr I had always intended to evade payment. She asked them to remove the marker and give Mr I £250 for the inconvenience caused.

Amex disagreed with this outcome and have asked an ombudsman to consider Mr I's 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous."

So, Amex must be able to provide clear evidence that an identified fraud was being committed, and Mr I was involved. This must go above Amex having a suspicion of fraud.

I've seen the evidence provided by Amex. Apart from a call to him in July 2024 confirming they were reviewing his account, there seems to be nothing else to signify Mr I was intentionally committing fraud by never intending to pay his account.

I don't dispute that until more recently Mr I didn't make payments towards his credit account, but I also note the following:

- Despite having a credit limit of £3,200, Mr I only ever spent £530.
- Amex told Mr I in July that they'd be closing his account in two months. If Mr I was trying to commit fraud and evade payment, I'd have suspected Mr I to have made further purchases prior to this.
- At no stage can I see that Amex tried to get to the bottom of why Mr I had made no payments, nor did they raise this with him at all. For example, did they know whether he was having financial difficulties?

I appreciate it is a serious issue for financial providers when customers evade payment, and they should be permitted to take action to avoid this happening. However, I'm not convinced that Amex has enough evidence to show Mr I was deliberately and fraudulently evading payment.

Mr I has confirmed to us he was suffering a period of unforeseen circumstances but there's no indication from the other financial information Mr I has shared that he was deliberately evading payment. I can also see that Mr I has now repaid what was owed, including interest and relevant late payment fees.

Putting things right

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on.

In this case I don't think there's enough evidence to show this was the case. On this basis I believe it would be fair and reasonable to ask Amex to remove the CIFAS marker.

The addition of a marker to Mr I's record has meant that his main bank closed his account and this has undoubtedly caused him difficulties. As I believe Amex acted in error, I will be asking them to pay him £250 in compensation.

My final decision

For the reasons given, my final decision is to instruct American Express Services Europe Limited to:

- remove the marker from Mr I's record with CIFAS; and
- pay Mr I £250 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 15 September 2025.

Sandra Quinn
Ombudsman