

The complaint

Mr K complains that American Express Services Europe Limited (AESEL) charged him a different amount each month when it collected his direct debit even though he'd set up a fixed direct debit of £10 per month.

What happened

Mr K has a credit card account with AESEL. On 30 March 2024 he requested online to set up a direct debit for a fixed amount of £10 per month.

On 4 April 2024 AESEL wrote to Mr K and advised him that it would collect a fixed amount of £10 automatically each month.

After several months had passed Mr K noticed that the amount being collected via direct debit was more than £10 and varied each month.

Mr K cancelled his direct debit and complained to AESEL.

AESEL didn't uphold the complaint. In its final response letter, it said that Mr K's direct debit payment depended on the minimum payment due each month. It said that if the minimum payment due was higher than the fixed direct debit amount of £10, then the higher amount will be collected by direct debit but if the minimum payment due was less than £10 then only £10 would be debited.

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

Our investigator didn't uphold the complaint. She said the terms and conditions of the account required Mr K to pay the minimum payment due each month, and that the minimum payment on his account had been consistently more than £10, so AESEL adjusted the direct debit. The investigator said AESEL hadn't acted unreasonably by collecting the minimum amount due.

Mr K didn't agree. He said the letter dated 4 April 2024 was inaccurate and misleading. Mr K said he'd held the card since 2007 and had always paid the account balance by the due date.

Because Mr K 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 know it will disappoint Mr K, but I agree with the investigators opinion. I'll explain why.

I've reviewed the terms and conditions of the account. These state that you must pay the minimum payment due each month. Mr K agreed to these terms and conditions when he took out the card.

It's not in dispute that Mr K requested to set up a fixed direct debit of £10 per month. He's explained that he did this in order to meet a requirement for a new bank account he'd opened. Prior to setting up the direct debit, Mr K says he paid the balance on the account each month.

I've reviewed the letter dated 4 April 2024. This states that AESEL will collect a fixed amount of £10 automatically each month. I understand why Mr K believed that his direct debit payments would be a fixed sum each month. The letter doesn't explain that if the minimum monthly payment due is more than £10, the direct debit collected will be more than £10.

Having reviewed the letter dated 4 April 2024 I think it could've been clearer.

That said, the letter must be read in conjunction with the terms and conditions. The terms and conditions make it clear that the minimum payment due each month must be paid. So if the minimum monthly payment was more than £10 in any given month – which in Mr K's case it was – then I think it's reasonable that customers would expect to pay whatever the minimum payment due was.

Mr K would've been able to see what the minimum payment due was on a month to month basis because it's clearly shown on the monthly statements. So, whilst I accept that the letter dated 4 April could've been clearer, I think the terms and conditions in conjunction with the monthly statements were sufficient to make it clear to Mr K that the minimum monthly payment would vary depending on the balance of the account.

For the reasons I've explained above, I'm unable to uphold the complaint.

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 K to accept or reject my decision before 20 August 2025.

Emma Davy
Ombudsman