

The complaint

Mr L is unhappy that American Express Services Europe Limited (“AmEx”) didn’t set up a direct debit at his request which led to payments being missed on his account.

What happened

On 24 March 2025, Mr L asked AmEx to update the direct debit details on his AmEx account. AmEx removed the existing direct debit information but explained to Mr L that, to confirm Mr L’s new account to their satisfaction, that they required Mr L to provide a recent bank statement for the account he wanted future direct debit payments to be made from.

Mr L didn’t feel that AmEx’s request for a copy of his bank statement was reasonable and so declined to provide it. However, Mr L didn’t make his contractually required monthly payments to AmEx via an alternative channel, which meant that his account fell into arrears. Mr L wasn’t happy about this, or that AmEx tried to contact him about the account arrears, so he raised a complaint.

AmEx responded to Mr L but didn’t feel that they’d done anything wrong by administering his account as they had, including contact AmEx requiring a bank statement to set up a direct debit or by considering Mr L’s account as being in arrears when he failed to pay. However, AmEx did note that on two occasions Mr L hadn’t received the standard of service from their agents that he was reasonably entitled to expect, and they apologised to Mr L for this and paid £60 to him as compensation for any upset or frustration that poor service may have caused.

Mr L wasn’t satisfied with AmEx’s response, so he referred his complaint to this service. One of our investigators looked at this complaint, but they didn’t feel that AmEx had acted unfairly as Mr L believed was the case and didn’t uphold this complaint. Mr L remained dissatisfied so the matter was escalated to an ombudsman for a final decision.

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 note that Mr L has made several points in support of his position that are of a legal or regulatory nature. I’d therefore like to begin by confirming that this isn’t a regulatory body or a Court of Law and doesn’t operate as such. This means that I have neither the remit nor the authority to decide whether AmEx have acted in accordance with law and regulation or not.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is ultimately focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mr L has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr L for these submissions, and I hope that he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr L notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Mr L and AmEx. Accordingly, I can confirm that if Mr L notes that I haven't responded to a specific point he's raised, I have considered that point, but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

It also must be noted that this service can only consider points of complaint that have previously been referred to a respondent business directly such that the business has had a formal opportunity to consider and respond to those points. This means that I won't be able to consider any further points of complaint that Mr L may have referred to this service but which he hasn't referred to AmEx directly such that they've had a formal opportunity to respond to them.

If Mr L remains unhappy regarding these further points of complaint, I can only refer him to AmEx to raise these matters with them directly, if he hasn't already done so. Then, once AmEx have had a formal opportunity to respond to those points of complaint, it may be the case that Mr L has the right to refer them to this service, should he wish to do so at that time.

Mr L is unhappy that AmEx required him to provide a bank statement to set up a direct debit in his account, which he feels is unnecessary and unreasonable. Mr L also feels that AmEx have effectively declined his reasonable request to set up a direct debit for him, which means that the fact that contractually required monthly payments weren't made on the account shouldn't be considered as his fault, but AmEx's.

There are several reasons why I don't accept Mr L's position on this matter. Firstly, payment by direct debit is not a 'right' that a consumer has. AmEx are under no compulsion to offer a direct debit payment to its customers and are free to set their terms as to what they require to set up a direct debit.

In this instance, AmEx require a copy of bank statement. That doesn't seem unreasonable to me. Of course, Mr L is under no obligation to provide a bank statement if he doesn't want to (although it seems possible that AmEx might accept a redacted bank statement with just the full name of the account, sort code and account number visible – information that Mr L was already willing to provide). But, if Mr L wasn't willing to adhere to AmEx's requirement in this regard, then he can't make payments to his account via direct debit and needed to make payments to his account via another channel.

Importantly, Mr L's contractual payment obligations remained in place regardless as to whether there was a direct debit set up on his account or not. It's also clear and apparent that Mr L was aware of the payments that needed to be made to his AmEx account but chose not to. And I note that on one occasion Mr L explained to AmEx that he was unwilling to make payments until a direct debit was set up on the account without him having to adhere to AmEx's requirement to provide a bank statement.

Ultimately, I find the stance taken by Mr L in this regard to be unreasonable. To reiterate, if Mr L didn't want to provide a bank statement to AmEx, then he didn't have to, but the consequence of that decision was that Mr L couldn't make payments by direct debit and needed to make payments via other means. Because Mr L didn't do that, his account fell into

arrears. And I'm satisfied that the accountability and responsibility for Mr L's account falling into arrears should fairly and reasonably sit with Mr L, and not AmEx.

Finally, because Mr L's account did fall into arrears, I don't feel that AmEx acted unfairly by following the account arrears processes that they did, including attempting to contact Mr L and reporting the arrears position of Mr L's account to the credit reference agencies.

All of which means that I won't be upholding Mr L's complaint or instructing AmEx to take any further or alternative action here. This is because I don't feel that AmEx have acted unfairly in how they've administered Mr L's account and because I feel that Mr L's belief that he didn't have to make payments because AmEx wouldn't set up a direct debit for him on his terms, rather than on AmEx's terms, to be unreasonable.

Finally, Mr L is unhappy with how AmEx responded to a data subject access request ("DSAR") that he made to them. However, complaints about DSARs are handled by the Information Commissioner's Office ("ICO"). I'm therefore unable to comment on this aspect of Mr L's complaint and can only refer him to the ICO, if he remains dissatisfied.

I realise this won't be the outcome Mr L was wanting here, but I trust that he'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 January 2026.

Paul Cooper
Ombudsman