

The complaint

Mr H complains that American Express Services Europe Limited trading as American Express ('Amex') didn't communicate clearly with him regarding a due payment and this led to negative information being recorded on his credit file.

Mr H wants his credit file amending.

What happened

Amex paid Mr H £25 as a goodwill gesture for an aspect of their customer service but otherwise didn't uphold Mr H's complaint. Mr H referred the matter to the Financial Ombudsman Service for investigation. Mr H was unhappy with how his complaint had been handled by Amex and thought Amex were in breach of the Consumer Duty.

Our investigator recommended Amex should pay Mr H a further £50 for incorrectly informing him that payment reminders had been sent. But our investigator thought Amex had fairly communicated with Mr H about his due payment, so he didn't recommend further action be taken.

Amex agreed to pay Mr H an additional £50, but Mr H sought an ombudsman's decision. He didn't think Amex's communication met the high standards required. He said the late payment marker was affecting a mortgage application and causing a lot of stress and anxiety. He also thought Amex's late payment marker had caused them to increase his interest rate, which he was unhappy with.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I broadly agree with our investigator about how this complaint should be resolved. I think Amex should pay Mr H a further £50 for his distress and inconvenience, but I won't ask Amex to do more than this. I'll explain why.

Mr H isn't happy with how his complaint was handled by Amex and referred to the DISP rules set out by the financial regulator. I agree this isn't something the Financial Ombudsman Service can investigate. DISP 2.3 sets out the activities we can consider, and complaints handling does not fall within our remit.

Mr H has also referred to the Consumer Duty. The Consumer Duty is a regulatory requirement for firms to put customers at the heart of their considerations, with an overarching principle that they *"must act to deliver good outcomes for retail customers."*

However, it should be noted the Consumer Duty doesn't equate to the customer always being able to have the outcome they want. In the context of this complaint it means I'd expect Amex to provide clear and timely information so Mr H can make informed decisions when managing his account. Having considered the available evidence and submissions I think Amex did this, and I'll explain why.

Amex provided Mr H with a link to set up a direct debit after he opened his account in February 2024. Mr H said he thought this was set up in March 2024, but he accepts he was paying his credit card manually through his online banking up until the missed payment on 12 March 2025.

Mr H said that sending a single welcome email that contained a link to set up a direct debit is not evidence that it was received, read, or acted upon. He didn't think it was right that Amex could lend thousands without ensuring a payment mechanism was in place. But I wouldn't expect Amex to ensure Mr H had a payment method set up as it's for Amex to present the options and for Mr H to decide how to manage his finances. I've seen that Amex state the options for payment clearly on every statement, to include a direct debit.

Mr H thought his credit card statements should have been clearer about a direct debit not being in place. Amex have shown that where a direct debit is in place, a statement will set this out under the request for payment. So where one isn't in place, the statement will simply set out the payment due.

Mr H suggested the following explicit words (or similar) should have been used:
"No Direct Debit is set up – you will need to make manual payments. Missing a payment can negatively impact your credit score."

In my view, a statement that did not refer to a direct debit being set up could not have reasonably assured Mr H that he had a direct debit in place. I think the statements Amex issued to Mr H made it clear a payment was due, and it was Mr H's responsibility to ensure a payment was made by one of the methods described on his statement.

I have not found Amex are under an obligation to issue payment reminders as well as statements. Amex say they do support their customers with the option of payment reminder alerts and Mr H can opt into receiving these online or via the app. Amex have shown a screenshot of their system which evidences these are not turned on for Mr H's account, so I can't say an error occurred when a payment reminder wasn't sent to Mr H.

Mr H said this doesn't evidence that he didn't opt in for these, only that they're not enabled. I accept this but I also haven't seen any evidence that Mr H did opt in and this wasn't actioned. I think if this had been the case Mr H would likely have contacted Amex to get this sorted. In any event, Mr H was obliged under the terms and conditions of his account to make a payment on the date specified in his statement, regardless of whether he had a payment reminder. Mr H was notified by Amex when his statement was issued.

During an online chat Amex incorrectly advised Mr H that payment reminders had been sent to him. So on that occasion I think Amex failed to communicate clearly and fairly with Mr H. I agree this caused Mr H some distress and inconvenience because he had to check if the information was right. I think it's fair that Amex pay a further £50 compensation to Mr H, to recognise this.

I've next considered the impact of the late payment on Mr H's credit file. The Information Commissioner's Office says data that is reported on Mr H's credit file *"must be fair, accurate, consistent, complete and up to date."*

When considering if the marker is fair, I think I must look primarily at the reason the marker is there, rather than its impact. The marker accurately reflects that a payment wasn't made on time. I don't think Amex did anything to cause the late payment here, so I don't think the marker itself is unfair.

Mr H says the impact of the marker is disproportionate for paying a few days late, especially when it's coincided with a mortgage application. However, the purpose of a marker is to show that an account's not been maintained in accordance with the terms and conditions and this is the case here. Mr H's credit file will reflect that he brought his account up to date.

Mr H also advised that Amex have increased his interest rate, and he thinks this is linked to his late payment and the late payment marker. I'm aware Mr H has made a separate complaint to Amex about this, which may be considered by this service in due course. I acknowledge it's been upsetting for the increase to be applied while Mr H is in the process of challenging the information on his credit file.

I am sorry to disappoint Mr H but I am not going to require Amex to remove the marker as I think they've reported this fairly, in line with their obligations.

It may help Mr H to know that he can contact each of the main Credit Reference Agencies and apply a notice of correction to his credit file. This is a short statement which Mr H can use to give context to an entry – like this late payment marker – which will be visible to any potential lenders checking his credit file in future.

Putting things right

American Express Services Europe Limited trading as American Express must pay Mr H £50 for his distress and inconvenience (in addition to the £25 already paid).

My final decision

For the reasons I've outlined, American Express Services Europe Limited trading as American Express must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 October 2025.

Clare Burgess-Cade
Ombudsman