

## The complaint

Ms O complains about the way American Express Services Europe Limited ('Amex') treated her at a vulnerable time. Ms O is unhappy that instead of supporting her, Amex reported a missed payment to the Credit Reference Agencies ('CRAs') and reduced her credit limit.

Ms O wants Amex to review their credit limit decision, and to provide a higher sum of compensation.

## What happened

Ms O's direct debit failed on 4 January 2025. Amex sent her a balance update on 6 January 2025 and a missed payment notification on 7 January 2025. On 17 January 2025 Ms O cleared her arrears but Amex had already reported her missed payment to the CRAs. Ms O asked Amex to remove the negative information they'd recorded on her credit file.

On 16 January 2025, Ms O's credit limit was reduced significantly and she contacted Amex about this on 20 February 2025. She raised a complaint about how she'd been treated and subsequently referred this to the Financial Ombudsman Service.

Amex told our investigator they'd already removed the missed payment marker but hadn't told Ms O. Amex offered £100 for this miscommunication, but didn't agree to change their credit limit decision. Amex said Ms O could reapply for a higher limit in a few months' time.

Ms O didn't think £100 went far enough. However, our investigator thought Amex had offered a fair and reasonable resolution to Ms O's complaint.

Ms O disagreed, and said Amex's lending decision had caused her a great deal of distress and inconvenience and she'd had to use other lines of credit. She said this led to higher interest and fees on her Amex account and asked for these to be waived.

## 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.

I am very sorry to hear about the difficult circumstances Ms O's been facing. I don't wish to add to what is a challenging time for Ms O but having reviewed what's happened, I think Amex have offered a fair and reasonable resolution to her complaint. I think this is how things should be put right. I'll explain why, though my reasons broadly mirror our investigator's.

The Information Commissioner's Office ('ICO') gives guidance that firms should report arrears at the "*earliest reasonable opportunity*". The ICO also says "*data that is reported on*

*your credit file must be fair, accurate, consistent, complete and up to date.*" I don't think it was unfair or unreasonable for Amex to have reported Ms O's missed payment when they did, given this guidance.

I was pleased to see that when Ms O evidenced why she'd missed the payment, Amex took steps to remove the impact of this. I agree that it would have been reasonable to inform Ms O that her credit file had been amended as a result – and I think Amex's offer of £100 compensation is fair and reasonable to recognise this would have saved Ms O some distress and inconvenience.

Ms O's understandably upset that her credit limit was reduced when she was vulnerable and she'd like Amex to take this into account. While I sympathise, I haven't found Ms O's been treated unfairly here. I say this because Amex can review their customers' credit limits and reduce them in line with their terms and conditions and lending criteria.

When Amex reduced Ms O's credit limit, I'd expect them to give Ms O the main reason for doing this. Amex set out what they'd considered when making their decision in their notification to Ms O, which I think was fair.

Amex's notification also invited Ms O to contact them about the change and indicated their decision could be reviewed via four appeal options, which I think was good industry practice. I've reviewed Amex's appeals process which makes it clear that not all options will be applicable to every customer. Amex's stance was that Ms O could re-apply for a new credit within three to six months of the decrease, which was in line with their usual process. I can see from Amex's system notes that an effort was also made to transfer Ms O to another team to see if a credit limit increase could be applied manually, but it appears she didn't pass security. I don't think Amex have acted unfairly towards Ms O here.

Ms O said she's facing £1,796 in interest because of the credit limit reduction decision. I think the interest Amex have charged is linked to Ms O's balance and isn't due to her new in credit limit. I think Ms O would likely have spent more with Amex if she'd retained her old credit limit, so I can't reasonably conclude that would've resulted in her balance reducing more quickly and limiting her exposure to interest. As I haven't found evidence to suggest the reduction in credit limit was done unfairly in these circumstances, or in error, I won't be asking Amex to refund interest to Ms O or compensate her for any knock-on effects of their decision.

I recognise this will be a disappointing outcome for Ms O but I think Amex have already offered a fair resolution to her complaint by removing January 2025's missed payment from her credit file, and offering £100 for her distress and inconvenience. I think this should now be paid, if it hasn't been paid already.

In their final response letter Amex also offered to place a special flag on Ms O's record to ensure that their agents were aware of her circumstances and could provide her with the best possible support when engaging with her. If Ms O agrees to this, she should let Amex know.

I hope things are improving for Ms O and her family. Free, reliable and independent advice is available via MoneyHelper who can be contacted either online at <https://www.moneyhelper.org.uk/en> or by telephone on 0800 138 7777.

### **Putting things right**

American Express Services Europe Limited must pay Ms O £100 for her distress and inconvenience, unless they have already done so.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 13 October 2025.

Clare Burgess-Cade  
**Ombudsman**