

The complaint

Miss G complains that American Express Services Europe Limited ('Amex') irresponsibly granted her a credit limit increase on a credit card she couldn't afford to repay.

What happened

Miss G entered into an agreement with Amex to have access to credit with a credit card account in September 2017 with an initial credit limit of £6,600. The credit limit was increased in January 2020 to £14,600.

In July 2024, Amex decided to reduce Miss G's credit limit down to £2,800.

Miss G complained to Amex in November 2024 who didn't uphold her complaint.

By December 2024 Miss G was beginning to experience difficulty with meeting her monthly repayments on the card.

After bringing her complaint to us, Amex agreed that it ought not to have increased Miss G's credit limit in January 2020 and agreed to refund her interest and late payment charges since then, plus an extra £50 as a gesture of goodwill.

After our investigator looked into the complaint and provided his view, Amex agreed to refund all the interest and charges added to the account from the outset. It also offered not to seek to recover the outstanding balance on the card and remove adverse information showing on Miss G's credit file from November 2024. Finally, Amex offered to pay Miss G £150 as a payment for distress and inconvenience – to be made by way of a direct payment to her. Our investigator thought this offer was fair. As Miss G accepted Amex's offer, the complaint was then closed by us.

However, Amex then said that it had made an error in saying it wouldn't be pursuing Miss G for the remaining balance and still intended to do so. But they said they could reconsider their position if they received documentation from Miss G supporting that she remained unable to work in the longer term. Amex also said the adverse information relating to her account default would remain on her credit file. And if the outstanding balance was no longer pursued the account would be recorded on her file as being partially satisfied.

The complaint was reopened, and our investigator explained all this to Miss G, who was upset and disappointed to learn that Amex still intended to pursue her for the outstanding sum.

In September 2025 our investigator issued a view letter setting out what had happened. In summary, he noted Amex's offer to refund interest and charges, which is in line with our approach in complaints like these. And he explained we wouldn't expect the outstanding balance on the account be written off. But, noting that Amex said it would reconsider its position if it was sent further details about her health situation, he thought it could have asked for updates about this earlier. He also thought that Amex hadn't done anything wrong in removing Miss G's entitlement to a companion travel voucher which was available if she

reached a certain level of spending, given that she hadn't complied with the terms and conditions of the card. Our investigator also considered that Amex could have done more to better support and help Miss G in the way it handled her account issues.

Taking all of this into consideration, our investigator made an increased award for distress and inconvenience - to £300 - in view of Amex's shortcomings in supporting Miss G, its handling of her complaint and the additional worry and upset it had caused Miss G in going back on its offer to clear the balance.

Given that Amex hasn't responded to our investigator's view letter within the timeframe we gave them, the complaint has been passed to me for a 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.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss G's complaint. I think it's important to reiterate that for this complaint we're not considering the question of whether the lending was affordable for Miss G. That's because Amex has awarded her the full redress we would expect to see in an unaffordable lending complaint like this, were we to uphold it in full – that is, a full refund of interest and charges dating back to when the card was first opened in September 2017. Were we to expect Amex to write off the existing card balance, she would be doing better because she would not be being paying for some of her spending on the card.

Amex told us that it had made a mistake when it offered to 'shelve' her existing balance. Whilst that's a very unfortunate error – and one which has regrettably caused Miss G further upset and inconvenience – it's not something we'd normally expect a business to do for this type of complaint. However, I should add that Amex hasn't closed the door completely as to the possibility of writing off what she owes. But for Amex to consider it further, Miss G will need to provide some updated evidence and information to show that her health situation is likely to continue in the long-term.

A further issue raised by Miss G was the removal of her entitlement to a companion travel voucher benefit that is available to users of this particular card branding. I've seen that the card terms and conditions make this benefit available to Amex customers on the basis that the account user complies with the card terms and conditions. Unfortunately, as Miss G incurred late payment charges on her card from November 2024, she is no longer entitled to claim this particular benefit.

I'm also in agreement with our investigator that Amex ought to have handled her complaint better given that she's a vulnerable consumer. I say this especially in relation to its collections procedures, having seen that her arrears were passed to a third-party collections business. This resulted in her getting phone calls she didn't wish to receive and which caused her a level of distress, given her health situation. So I'm pleased to learn that Amex has now recalled the account and so Miss G will be able to continue dealing with them direct about her existing arrears. I remind Amex of its obligations under CONC 7.3.4R to treat any repayment offers with forbearance and due consideration.

Finally, I agree that an award of £300 for distress and inconvenience, which I request to be paid direct to Miss G, is fair in the circumstances of this complaint. This includes compensation for the failure to properly recognise her specific vulnerabilities and needs, how it handled her complaint and, in particular, for the upset caused when Amex realized they had made an error after she had already accepted its offer.

I am grateful for Miss G's detailed comments and I am very sorry to hear of the difficult time she's been through. Given that I'm in broad agreement with our investigator's findings, my decision and what I am requiring Amex to do reflects the key findings he has made.

I've also considered whether the relationship between Miss G and Amex might have been unfair under S.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I think needs to be carried out for her results in fair compensation in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right – what Amex needs to do

Amex needs to do the following:

- If it has not done so already, Amex should now arrange to complete the refund of interest and charges to reduce Miss G's credit card balance to £814.79.
- It should review Miss G's current personal financial situation and reach an agreement to help support her in repaying her balance. This may include reviewing updated medical information as well as consideration of whether to no longer seek recovery of the balance owing on her card.
- It should now pay direct to Miss G £300 for the overall distress and inconvenience caused in dealing with her situation.
- Amex should also remove any negative information from Miss G's credit file from November 2024 to the date of settlement.

My final decision

I therefore uphold this complaint and require American Express Services Europe Limited to settle the complaint in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 25 November 2025.

Michael Goldberg
Ombudsman