

The complaint

Mr P complains that American Express Services Europe Limited closed his account and reported a late payment marker on his credit file.

What happened

Mr P held a Preferred Rewards Gold card. In May 2025 he decided to change the card to a card for which there was no annual fee.

Mr P contacted AESEL by phone on 16 May 2025 to request the change. During the call he was advised that the annual fee would be refunded. Mr P was under the impression that the Gold card would be closed and the new free account opened.

Mr P contacted AESEL again on 25 May 2025 because he was unable to access his account via the mobile app. The advisor told Mr P that his account had been closed and that he would need to submit a new application if he wanted to have the free account.

Mr P tried to check his account balance via the mobile app but was unable to access it. He says this meant that he couldn't view his balance or payment due date. By the time Mr P managed to log in via his laptop, the payment due date had passed. Mr P made a payment on 12 June 2025 which was 11 days after the payment due date of 1 June 2025.

Shortly afterwards Mr P received notification of a late payment fee and a missed payment marker from AESEL. He complained to AESEL.

AESEL issued a final response on 11 September 2025. It said that during the call on 16 May 2025 the advisor had told Mr P that the card was being cancelled, that access to his online account would be restricted and that the outstanding balance remained payable. AESEL said that during the call on 25 May 2025 the advisor had told Mr P that the account had been cancelled and made him aware of the upcoming payment due date. AESEL said that it was unable to amend Mr P's credit file because the payment due on 1 June 2025 had been made late.

Mr P wasn't happy with the response and complained to this service.

Our investigator didn't uphold the complaint. They said they hadn't found any evidence to suggest that AESEL had acted unfairly or unreasonably by closing the account. The investigator also said that Mr P's late payment in June 2025 wasn't due to an error by AESEL.

Mr P didn't agree. He said there was confusion when he spoke to AESEL and that his intention had been to downgrade his account and not to close it. Mr P said the closure of his account affected his ability to make payments as he lost access to the mobile app. He said he hadn't been made aware that his access to the app would stop. Mr P said that he didn't receive any payment reminders via SMS or via the app and that as soon as he became aware of the missed payment, he made a payment. He doesn't think it was fair that the late payment marker was recorded.

Because Mr P 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 P, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the communications that Mr P had with AESEL. I can see that Mr P contacted AESEL via the "click to chat" service on 16 May 2025 and requested a refund of his annual membership fee. During the conversation the agent asked for the reason for the cancellation and Mr P replied that he wasn't using the benefits of the card and that he was managing his budget. The agent advised Mr P that the card would be cancelled and explained to Mr P that following cancellation he would not be able to access his account online or via the mobile app. The agent asked Mr P if he wished to proceed and Mr P said he did. The agent told Mr P that they were completing his request to cancel the card and that he should destroy the card. The agent explained to Mr P that any balance on the account would need to be repaid.

Mr P has said that he never intended to cancel his card but instead wanted to downgrade the account to a free one. I appreciate that this was Mr P's intention. However, having reviewed the call, I can't see that he stated this to the agent – he only requested a refund of his annual membership fee. The agent clearly stated that the account would be cancelled and Mr P didn't question or challenge this or explain that he only wanted to downgrade the account. The agent also made it clear that Mr P would lose access to the mobile app and that he remained responsible for making a payment by the due date.

Based on what I've reviewed, I'm satisfied that Mr P ought to have been aware that the account was being closed and that he would no longer have access to the account via the mobile app.

Mr P has provided this service with screenshots showing that he was unable to access his account via the mobile app. This isn't in dispute. But as I've said above, I'm satisfied that the agent made Mr P aware that he would no longer be able to access his account via the app.

Mr P has said that his inability to access the app meant that he wasn't aware of the payment due date. I can see that AESEL sent a monthly statement to Mr P on 7 May 2025 which clearly stated that a payment was due by 1 June 2025. This statement was sent to Mr P before he made his request to cancel the account, so I'm satisfied that he was aware of the payment due date.

Mr P has said that his inability to access the app meant that he wasn't able to make a payment in the way that he usually did. I don't doubt Mr P when he says that he usually made payments via the app. However, there are several other ways in which Mr P could have made payment, all of which are set out on his monthly statement. So, I'm not persuaded that Mr P was prevented from making payment by the due date.

I understand that the reporting of as late payment marker on Mr P's credit file has caused him distress and that he doesn't feel that its fair. However, AESEL – like all lenders – are obliged to report accurate information about the state of an account to the credit reference agencies. This service can only ask a business to amend a credit file if there's clear evidence of an error. In this case, I can see that Mr P made his payment 11 days after the payment due date. I don't think AESEL has made an error or treated Mr P unfairly by reporting the late payment. Therefore, I won't be asking AESEL to amend Mr P's credit file.

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 P to accept or reject my decision before 9 April 2026.

Emma Davy
Ombudsman