

The complaint

Miss S is unhappy with advice American Express Services Europe Limited (AESEL) gave her regarding her credit card account.

What happened

In November 2024, Miss S contacted AESEL to see if she could arrange a repayment plan where interest is frozen and payments directly reduce the balance. Miss S explained she had been unwell but was back in work now and could afford to pay around £350 to £400 a month. The advisor explained the minimum payment due was around £350 a month which Miss S has said was affordable, but the current level of arrears was higher, standing at £968.52.

Miss S said if she paid off the arrears, could interest be frozen and then they look at how the remaining balance could be split into monthly payments. The advisor said if the minimum payment can be made each month, such a plan where interest is frozen is generally not available. The advisor asked Miss S what was affordable for her to pay today. Miss S again asked if she clears the arrears in full what will her minimum payment be. The advisor says this will be somewhere around £350 a month with interest still accruing. Miss S asked if the balance can be transferred to a loan. AESEL said the only option regarding reviewing the level of interest that is applied is for its Financial Support team to become involved. This is possible if Miss S is unable to keep up with the minimum monthly payments.

Miss S says she will see what arrangements she can make and will try and clear the £968.52 arrears by 20 November 2024. Miss S then says she will call back after that payment to sort out the minimum payments for each month and see what else can be done. The advisor says making that payment will stop the default and prevent the card being cancelled. They also ask if Miss S is paid on 20 November 2024 which she confirms is the case.

The arrears amount was paid by Miss S, but it doesn't seem AESEL heard back from her until a call in July 2025. AESEL has said this call was made by Miss S following her receiving a 'persistent debt letter' and her wanting to set up a repayment plan. AESEL has explained the advisor on this call told Miss S that as long as she paid the minimum due it would reduce the balance and end the persistent debt status. Also on the call, a complaint was logged as Miss S felt unsupported and was only just able to make her minimum monthly payments.

As a gesture of goodwill AESEL refund £198.46 in interest. On 16 July 2025 AESEL confirmed it considered the complaint that Miss S had raised as resolved.

In August 2025, Miss S called AESEL again. At this point Miss S was offered a 'Regain' plan. This essentially sees interest frozen and the account passed to a collection agency so a repayment plan can be set up. This is following completion of an income and expenditure. Miss S accepted the 'Regain' plan in September 2025.

Unhappy with how her account had been handled, Miss S referred her complaint to the Financial Ombudsman Service. One of our investigators considered the complaint and said the interest refund was fair in the circumstances. They said Miss S' statements would've shown the impact her monthly payments were having on the overall balance and that as of September 2025 an affordable repayment plan had been set up. Given this they concluded

they hadn't seen anything to suggest AESEL had treated Miss S unfairly when she called it in November 2024.

Miss S didn't agree and said she had been misled on her call with AESEL in November 2024. She said the advisor led her to believe the payments she was making would reduce what she owed. Miss S said AESEL had acknowledged fault by refunding interest and the 'Regain' plan showed her situation had worsened.

As Miss S didn't agree, the complaint has been passed to me to decide.

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 would like to point out 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.

I've listened Miss S' call with AESEL from November 2024 to see if I agree she was misadvised or if AESEL should've offered additional help (potentially via access to a 'Regain' plan) at that time.

On the call Miss S explains she will be able to make her monthly repayments and can afford to pay £350 to £400 a month now that she is back and able to work. Miss S confirms she will make arrangements to clear the arrears and then call back. I note Miss S didn't call back to see if AESEL could support her further until July 2025. This was after receiving communication from AESEL her account was now considered to be a status of persistent debt.

I think it's important to note that I wouldn't necessarily expect AESEL to offer a reduction in interest, given Miss S confirmed she was able to make her contractual monthly minimum payments and that these were affordable. Miss S also said she would be able to clear the arrears the same month (which she did). AESEL did ask if the date Miss S had given for when the arrears would be cleared was when Miss S got paid, and she confirmed that was the case. Miss S made no mention of using other finance to pay the arrears on her call and AESEL did explain further support could be offered if Miss S wasn't able to make the minimum payments.

Given the above and the payment history that occurred afterwards (up until when the 'Regain' plan was put into place), I don't think AESEL treated Miss S unfairly or at the time ought to have offered any further financial support or reduced/froze interest.

Miss S has said that the advisor answered 'yes' to her question whether continuing to make payments would pay off her balance. She has said no further explanation means she has been misled. I acknowledge Miss S' understanding of the call was that by making her minimum payments each month she would significantly reduce the amount that was outstanding. But I don't agree that was based on anything the advisor said.

Making the minimum payments does (all be it slowly) reduce the outstanding amount. AESEL's advisor did say interest would still continue to accrue, which is in line with what I'd expect on a credit card account. I also agree with the investigator that information regarding payments, interest and the outstanding balance situation would've also been readily available on Miss S' monthly statements. So, I don't agree AESEL misadvised Miss S based on the information it was given on the call.

Miss S' next contact with AESEL was in July 2025. Miss S called AESEL following communication from it that she was now in persistent debt status. Miss S explained she had other commitments now and was finding it harder to make payments on her account.

AESEL has explained that given the status of persistent debt at this point, it shouldn't have advised that Miss S just needed to continue to make the minimum payments, as that wouldn't be sufficient to end the status. At this point AESEL has said Miss S should've been referred for a financial review. I'm pleased to see that after the complaint Miss S' proactivity resulted in the referral for a financial review occurring less than a month later and this resulted in the 'Regain' plan being set up and interest frozen. I hope going forward Miss S financial situation improves as a result.

As Miss S wasn't referred for a financial review following her call on 14 July 2024 (made after receiving notification her account was in a persistent debt status), AESEL refunded £198.46 as a gesture of goodwill. I believe this to be fair and reasonable in the circumstances for the incorrect information given on the July 2025 call and the delay in the referral for a financial review.

My final decision

For the reasons I've explained, I don't require American Express Services Europe Limited to do any more than it already has.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 20 March 2026.

Paul Blower
Ombudsman