

The complaint

Mr W complains that American Express Services Europe Limited (AESEL) recorded a missed payment marker on his credit file.

What happened

Mr W holds a credit card account with AESEL. For several years Mr W has made payments to his credit card from his business account.

In September 2024 AESEL advised Mr W that it could no longer accept payments from his business account.

Mr W had several conversations with AESEL to try and resolve the issue. He explained to AESEL that his business account was his only account, and he would need to set up another account, which was difficult due to changes in Mr W's location. In between stopping the payments from his business account and trying to arrange another account from which he could make payments, a couple of payments were made to his credit card from his business account via direct debit, which were rejected by AESEL. These were reported as late payments to the credit reference agencies.

When Mr W realised that he'd missed some payments he brought the account back up to date and asked AESEL to remove the entries from his credit file.

AESEL apologised for the difficulties that Mr W had experienced but said it was AESEL's business procedure that all personal credit card accounts must be paid from a personal bank account in the card holders own name and not from a business account. AESEL acknowledged that Mr W had made payments from his business account for several years without issue and paid £100 as a gesture of goodwill. AESEL also said it had explained the circumstances of Mr W's case to the credit reference agencies in the hope that they could do something about the late payment markers.

Mr W remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. He said he didn't think AESEL had treated Mr W fairly because it hadn't sent him a communication advising him that payments from his business account would no longer be valid and it hadn't given him sufficient time to arrange an alternative method of payment. The investigator said that AESEL should amend Mr W's credit file and arrange for the late payment markers to be removed.

AESEL didn't agree. It said it had sent an email to Mr W on 20 August 2024 advising him that the direct debit from his business account had been cancelled. It said that statements sent to Mr W after this date displayed the payment due by date, whereas statements before this had advised that the payment would be collected by direct debit. AESEL said it understood why Mr W might have missed the payment for the August statement, but it didn't explain why he missed payment for the October statement. AESEL said it didn't think there had been an error in the reporting to the credit reference agencies.

Because AESEL 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've reviewed the information provided by both parties. Having done so I agree with the investigator's opinion. I'll explain why.

It's not in dispute that Mr W has been making payments to his credit card from his business account for several years. AESEL has explained that it made a business decision to no longer accept payments from business accounts, and that an internal communication was sent to colleagues advising them that small business accounts must use a personal card to make payments.

It was this business decision which meant that Mr W could no longer make payments from his business account.

This service asked AESEL how the change in policy was communicated to Mr W. AESEL confirmed that no correspondence had been sent to Mr W regarding the changes. It later (post the investigator's opinion) said it had sent an email to Mr W on 20 August 2024 advising him that his direct debit from his business account had been cancelled. It also said the wording on Mr W's monthly statements changed in August 2024.

Mr W continued to pay by direct debit from his business account because this was his only account he was finding it challenging to have another account set up. His direct debit was rejected in August and again in November 2024 which resulted in two late payment markers being reported on his credit file.

This service can't ask a business to change its policies or its terms and conditions. So to the extent that AESEL acted in line with its policies and terms and conditions I'm unable to say that it made an error when it determined that it couldn't accept payments from Mr W's business account.

That said, I don't think AESEL treated Mr W fairly here. It didn't send him any communication explaining that he would no longer be able to make direct debit payments from his business account. I acknowledge that AESEL sent Mr W an email advising him that his direct debit had been cancelled, but this email doesn't explain in sufficient detail what this meant for Mr W and the payments he'd been making to his credit card.

Further, AESEL appear to have been aware that Mr W was elderly, that he only held one account (which was his business account) and that he was finding it a challenge to open a new account from which to make ongoing payments to his credit card. In these circumstances, I don't think it was fair for AESEL to cancel Mr W's direct debit before he'd managed to set up a new payment method.

AESEL has already paid compensation for the inconvenience caused to Mr W, but I don't think this goes far enough. Mr W's credit file has been impacted here and because I don't think AESEL has treated Mr W fairly, I'm of the view that it should take steps to amend his credit file and remove the late payment markers.

Putting things right

To put things right, American Express Services Europe Limited must arrange for the removal

of the late payment markers from Mr W's credit file.

My final decision

My final decision is that I uphold the complaint. American Express Services Europe Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 December 2025.

Emma Davy
Ombudsman