

The complaint

Mr P complains that American Express Services Europe Limited (Amex) irresponsibly lent to him.

What happened

Mr P was approved for an Amex in October 2018, with a £9,000 credit limit. The credit limit was increased to £13,000 in April 2019. Amex had reduced the credit limit on two occasions after this, before increasing the credit limit to £14,000 in March 2022. Mr P said that Amex irresponsibly lent to him. Mr P made a complaint to Amex.

Amex did not uphold Mr P's complaint. They said they were unable to identify any errors with their lending decisions. Mr P brought his complaint to our service. Our investigator did not uphold Mr P's complaint. She said that Amex should have made further checks for the first two lending decisions, but she was unable to say what further checks should have shown as Mr P had not provided her with the information she asked for. She could not identify any unfair lending decisions. Mr P asked for an ombudsman to review his 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.

Before agreeing to approve the credit available to Mr P, Amex needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Amex have done and whether I'm persuaded these checks were proportionate.

Acceptance for the Amex card

Amex said they completed a credit check with a Credit Reference Agency (CRA) and they considered information that Mr P had provided them before approving his application. The information showed that Mr P declared a gross annual income of £60,000.

Amex also received information from a CRA about the level of unsecured debt Mr P had. There is conflicting information in the data Amex has sent, Amex have explained they've looked at the detailed data around the time of the increase, and it sometimes doesn't match the summary data because some debts may have been updated later and weren't included in the summary data.

Here, I've looked at the higher unsecured debt figure. The CRA informed Amex that Mr P had £23,466 of active unsecured debt. The CRA was not reporting any defaulted accounts or any active County Court Judgements on his credit file. Mr P had also not been in arrears on an external account within the 12 months prior of him applying for the account. So it didn't

appear that Mr P was having financial difficulty leading up to this lending decision.

But due to the credit limit being for a large proportion of Mr P's declared income, and him already appearing to have over £23,000 of active unsecured debt, then I'm persuaded that Amex should have completed further checks to ensure that the lending was affordable and sustainable for Mr P.

There's no set way of how Amex should have made further proportionate checks. One of the things they could have done was to contact Mr P to find out what his outgoings were. Or they could have asked for his bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for him.

Our investigator has asked Mr P on more than one occasion to provide her with his bank statements leading up to this lending decision. But Mr P has not been able to provide these to our service by the deadlines she set.

So on the face of it, it does look like Amex should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Amex should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Mr P hasn't provided our investigator with the information she asked for, that means that it wouldn't be fair for me to say that Amex shouldn't have lent here, because I don't know what further checks would reveal.

April 2019 credit limit increase - £9,000 to £13,000

A CRA informed Amex that Mr P had £9,625 of active external unsecured debt. The CRA was not reporting any defaulted accounts. Mr P had also not been in arrears on an external account within the 12 months prior to the checks for this lending decision.

Amex would have also been able to see how Mr P managed his Amex account since it had been opened. I've viewed Mr P's Amex statements for the six months leading up to this lending decision. I could not locate any overlimit or late payment fees.

But due to the credit limit increasing by almost 50% and with Amex not completing an affordability assessment here, then I'm persuaded that Amex should have completed further checks to ensure that the lending was affordable and sustainable for Mr P.

Our investigator again asked Mr P on more than one occasion to provide her with his bank statements leading up to this lending decision. But Mr P has not been able to provide these to our service by the deadlines she set.

As I explained previously, on the face of it, it does look like Amex should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Amex should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Mr P hasn't provided our investigator with the information she asked for, that means that it wouldn't be fair for me to say that Amex shouldn't have lent here, because I don't know what further checks would reveal.

March 2022 credit limit increase - £12,060 to £14,000

Amex had reduced Mr P's credit limit prior to this credit limit increase, therefore the increase was from £12,060, and not from £13,000. A CRA did not report any active external unsecured debt for this lending decision, so it would appear as if Mr P had enough

disposable income since the last credit limit increase in order to pay off his outstanding active external debt. None of his active accounts were in arrears at the time of the checks, and he had no active external accounts in arrears in the 12 months prior to these checks.

I've also viewed Mr P's Amex statements for the six months leading up to the credit limit increase to see how he managed the account. It is his June 2022 statement which shows the new £14,000 credit limit. Mr P incurred no late or overlimit fees leading up to this lending decision, and he was not utilising most of his available credit on the account (the June 2022 statement shows a previous balance of £2,229.34, which was the highest balance out of the statements I viewed leading up to this lending decision).

So with Mr P clearing his external debt since the last credit limit increase, and him significantly reducing the outstanding balance on his Amex account since the last lending decision, and no adverse information being reported by a CRA, then I'm not persuaded that it would have been proportionate for Amex to have made further checks here when the credit limit was increasing by £1,940.

So I'm persuaded that Amex's checks were proportionate for this lending decision, and they made a fair lending decision here.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Amex lent irresponsibly to Mr P or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 December 2025.

Gregory Sloanes
Ombudsman