

The complaint

A limited company, which I'll refer to as 'H', complains that American Express Services Europe Limited ("AmEx") reduced the credit limit on its account.

H's complaint is brought to this service by its director, whom I'll refer to as 'Miss G'.

What happened

H has an AmEx business credit card which requires payment of the full balance on a monthly basis. H had been making the required payments without issue, but in June 2025 Miss G contacted AmEx via live chat and explained that a VAT check meant that H's finances were temporarily restricted such that H would be a little late with the payment for that month.

Miss G asked AmEx what the consequences of a slightly late payment would be, and was told that if H made the payment before the next statement was issued then no late payment marker would be reported and the only consequence would be a £12 late payment fee.

Following this, H made the payment late, as they'd told AmEx they would, but did so before the next statement was issued so that no late payment marker was reported. However, shortly afterwards, in addition to the £12 late payment fee Miss G was expecting, H received notice that AmEx were significantly reducing its credit limit, from £13,900 to £6,900. Miss G wasn't happy about this, so she raised a complaint on H's behalf.

AmEx responded to Miss G but didn't feel that they'd done anything wrong by reducing H's credit limit. However, they acknowledged that their agent should have explained to Miss G that if H missed a payment it might trigger a review of H's account which would include the credit limit currently offered to H. AmEx apologised to Miss G for any inconvenience this may have caused H and paid £50 to H as compensation. Miss G wasn't satisfied with AmEx's response, so she referred H's complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that AmEx had acted unfairly as Miss G contended. Miss G didn't agree, so the matter was escalated to an ombudsman for a final 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 can appreciate that Miss G is unhappy that AmEx reduced H's credit limit. But it's important to understand that a credit limit isn't a 'right' that an account holder has. Instead, a credit limit is provided to an account holder solely at the discretion of the credit provider, in this case, AmEx.

Miss G appears to be of the understanding that H's credit limit was reduced because of the missed payment. That wasn't the case. What happened was that the missed payment

brought forward a regular periodic review of H's account which showed that H had been exceeding its agreed credit limit. And it was this – the general management of H's credit account – that prompted AmEx to reconsider its risk appetite regarding H's account and to choose to reduce the amount of credit it was willing to offer to H.

In reviewing H's account and making a decision to reduce H's credit limit based on AmEx's own internal perception of risk, I'm satisfied that AmEx were acting within their rights as a credit provider and in accordance with the terms of the credit account – including the sections titled 'When we make changes' and 'Our main reasons for changes'.

Miss G has explained that if it had been explained to her that H missing the payment would have led to an account review, she would have prioritised making the payment to avoid it. But AmEx conduct reviews periodically, usually every three to six months, and so a review of H's account was going to take place at some point. Additionally, I'm not convinced that H could have made the payments to AmEx, given that Miss G contacted AmEx on multiple occasions and each time explained that H couldn't make the payment because its funds were temporarily restricted.

As such, even had Miss G been told by AmEx's agent that, as well as a £12 late payment fee, if H was slightly late with the payment it might bring forward an account review, I don't feel it's likely that H could have acted differently to have avoided that review. And if I were to accept, hypothetically, that H could have made the payment on time, a review of H's account would have taken place in the relatively near future, which may well have resulted in a similar outcome.

For these reasons, I don't feel that AmEx have acted unfairly towards H as Miss G contends here, and it follows from this that I won't be upholding this complaint or instructing AmEx to take any form of action. Ultimately, it feels fair to me that AmEx can review an account at their discretion and reduce a credit limit if they decide to. I hope that Miss G will understand, given what I've explained, why I've made the final decision that I have.

Finally, Miss G has explained that she is also unhappy about a payment reimbursement made to H by AmEx. However, this service can only consider points of complaint that have previously been referred to the respondent business and which that business has had a formal opportunity to consider and respond to.

In this instance, it doesn't appear that Miss G has referred this further point of complaint to AmEx directly. I say this because the formal complaint response issued by AmEx makes no reference to it, and it isn't included in any of AmEx's system notes that record the complaint, which only details the point of complaint about the credit limit reduction.

As such, if Miss G remains unhappy about this further point she should raise a complaint about that matter with AmEx directly, so that AmEx have a formal opportunity to respond to that complaint. Once AmEx have had such an opportunity, Miss G may be able to refer that complaint to this service on H's behalf, should she still wish to do so at that time.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 9 March 2026.

Paul Cooper

Ombudsman