

The complaint

Mr A complains American Express Services Europe Limited has harassed him, unfairly defaulted him, and unfairly recorded adverse information on his credit file. He says that American Express Services Europe Limited has, in effect, abused him and that this has caused his very significant distress and inconvenience.

What happened

Mr A has a credit card with American Express and has done so since October 2020.

In October 2021 Mr A asked American Express to update his address having bought a property of his own and having moved out of a property he was renting. He subsequently used his card – having explained to American Express what he planned to do – to, amongst other things, withdraw cash at ATMs in order to pay builders who were doing work to his new property. Mr A disputed one of those withdrawals in December 2021 saying he didn't receive the cash. He didn't receive a response until much later – see below.

In May 2022 American Express emailed Mr A and asked him for his payslip or his P60 in order to verify his income. American Express noted in its email that Mr A had made sixteen emergency cash withdrawals totalling £8,730 between 2021 and 2022. That started a sequence of events that ultimately led to American Express giving Mr A two months' notice of its intention to close his account and issuing notices of default. Mr A made a number of complaints about the way American Express had treated him.

On 18 August 2023 American Express issued a final response to Mr A saying that it had closed his ATM dispute in December 2021 as it was satisfied the cash had been dispensed. In its final response American Express also said that it had closed his account in line with its terms and conditions. American Express didn't, in the circumstances, think it had done anything wrong.

On 5 September 2023 Mr A wrote to American Express complaining that it had sent several letters to his previous address. He said that this had caused him significant harm and anxiety. American Express accepted that it had sent correspondence to Mr A's previous address by mistake and offered Mr A £150 in compensation. American Express subsequently offered Mr A an additional £50 in compensation for calling him after he'd asked for all correspondence to be in writing.

Mr A was very unhappy with American Express's responses to his complaints and complained to our service. American Express agreed that we could look into all of the complaints he raised at the same time.

One of our investigators did so and thought that American Express had acted in line with the terms and conditions of Mr A's credit card and in a way we'd expect a business to. On the occasions where it had made mistakes – for example, not updating Mr A's address properly – our investigator thought that the compensation it had offered was fair and reasonable.

Mr A was unhappy with our investigator's recommendation and asked for his complaint to be

referred to an ombudsman for a decision. His complaint was passed to me.

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.

In September 2025 I issued a lengthy provisional decision in which I explained in detail why I was minded to uphold this particular complaint. In that provisional decision, I said that I didn't think American Express had taken the time it should have done to understand Mr A's perspective and the way, for example, he believed his credit card worked. Had American Express done so, I said that I was satisfied that both parties could have come to a repayment plan sooner and that Mr A could have been saved a considerable amount of distress. In the circumstances, I said I was minded to require American Express to pay Mr A an additional £800 in compensation for the considerable distress he'd been caused on top of £200 it had offered. I also said I was minded to require American Express to confirm that his account wouldn't be sent to a third party for collection provided Mr A kept to his repayment plan. Both parties were invited to reply to my provisional decision, and both did.

American Express accepted my provisional decision. Mr A did too. But he wanted me to award an additional £800 in compensation saying that he'd been offered this on a without prejudice basis when he took American Express to Court. I explained to Mr A how we approach compensation and why I wasn't, therefore, minded to award an additional £800 in compensation. I did, however, forward his response to American Express.

Following my provisional decision, it became clear that American Express has sent Mr A's account to a third party for collection and that his account has recently been defaulted. In my provisional decision, I said that it looked like Mr A hadn't had problems with his other creditors – only American Express – and that I'd consider what more, if anything, American Express needed to do once both parties had provided me with up-to-date information. Based on everything I've now seen – and what I said in my provisional decision – I don't think it's fair that Mr A has had a default registered on his credit file or that his account has been sent to a third party. I'm, therefore, going to require American Express to make arrangements to bring his account back in house and to have the default removed from his credit file. Mr A will need to keep up with the repayment plan he ultimately agreed with American Express, but I've seen nothing to suggest that he's not been doing so.

Putting things right

In addition to the additional £800 in compensation I awarded – bringing the total amount of compensation that American Express will need to pay to £1,000 given that it had already offered £200 in compensation – I'm going to require American Express to make arrangements to bring Mr A's account back in house and to have the default removed from his credit file for the reasons I've just given.

My final decision

My final decision is that I uphold this complaint and require American Express Services Europe Limited to pay Mr A an additional £800 in compensation on top of the £200 it has already offered. In addition, I require American Express Services Europe Limited to make arrangements to bring Mr A's account back in house and to have the default removed from his credit file.

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

Nicolas Atkinson
Ombudsman