

The complaint

Mr A has complained about the way American Express Services Europe Limited “AmEx” defaulted two of his credit card accounts.

What happened

All parties are familiar with the facts in this case so I’ll only briefly set them out here. Between September and October 2024, Mr A’s two credit card accounts fell into arrears due to financial difficulties. Mr A had changed roles at work, and had a baby so was struggling to meet his payments. Mr A spoke to AmEx in October and November 2024 – where he discussed his options with AmEx, AmEx asked for income and expenditure details to consider any repayment plans and notified Mr A that he needed to agree any repayment plans before 22 November 2024. AmEx also says it issued notices to inform Mr A that his accounts were now in default due to not meeting the contractual payments due on the accounts. In December 2024, Mr A agreed to AmEx’s Regain programme where his credit cards would be cancelled and the accounts passed to its third party debt collection agent (DCA) where he could agree repayment plans.

On 6 January 2025, AmEx cancelled his credit card accounts and passed them to a third party DCA to administer the debts on its behalf. Mr A agreed repayment plans for both accounts to commence on 31 January 2025. Mr A maintained the plan until April 2025 when a payment was late (albeit by one day). And in May 2025, both payments failed. The accounts were subsequently reported as defaulted in June 2025 on Mr A’s credit file.

Mr A complained saying he wasn’t aware the payments had failed in May 2025 and he made payments to restore the payment arrangements as soon as he became aware of this. He said he was unaware that if a payment wasn’t received into the accounts every 30 days, the account would be defaulted. He asked AmEx to remove the default and instead report the payment arrangement it had previously reported.

AmEx issued a final response saying it had made no errors and it had recorded the defaults correctly, after the payment arrangements had been broken.

Unhappy, Mr A referred his complaint to our service reiterating his earlier points. He explained he had rectified the issue soon after realising something had gone wrong and the default was stopping him from completing a mortgage application.

Mr A’s complaint was considered by one of our investigators. They didn’t recommend the complaint be upheld explaining Mr A was obligated to make repayments in line with the arrangements, and he had not done so. So, it looked like the defaults had been correctly applied. They explained that while there was a repayment arrangement agreed, the account had been in arrears for three months prior to being passed to the DCA and when the payments were missed, they didn’t think it was unreasonable for AmEx to apply a default which was in line with Information Commissioner Office (ICO) debt guidance.

Mr A disagreed mainly because he also noted that the default marker was showing on his account every month after June 2025, despite him maintaining payments since then and

saying he had made more than the minimum payments agreed. Our investigator explained that the complaint AmEx responded to when it issued its final response was whether it had correctly applied the default marker in June 2025, but if Mr A had concerns about any further markers on his credit file, he would need to raise this with AmEx in the first instance before we could consider the matter.

Mr A remained unhappy and felt his complaint point was a continuation of his existing complaint. As the complaint couldn't be resolved, the complaint has been passed to me to make a 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

I'm sorry to hear about the impact the situation is having on Mr A. Having considered all the circumstances, I've reached the same overall conclusions as the investigator for broadly the same reasons. I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This reflects the quick and informal nature of this service in resolving disputes.

AmEx says that Mr A was issued with several default notices for both accounts after his accounts fell into arrears during the latter half of 2024. It looks like it sent regular statements and spoke to Mr A several times between September 2024 and December 2024, to ask for details of his income and expenditure and discuss options with him. After his accounts were in arrears for at least three months, in January 2025, Mr A agreed for his accounts to be passed to the DCA to agree repayment plans. At this time, his credit card accounts were cancelled and the full balance due on account *1006 was just over £17,000 and just over £30,300 on account *2006 – with both accounts above their agreed credit limits by over £900.

Mr A agreed a repayment plan of £242 a month on one account and £430 a month on the other. In January 2025, when Mr A's accounts were passed to the DCA, AmEx explicitly told Mr A that,

“If default has not already been registered, and ... you fail to make payments in accordance with your agreed repayment arrangement, steps will be taken to register the default status of your account with the Credit Reference Agencies.”

It looks like payments were largely maintained by Mr A in line with the agreed repayment plans, although the April 2025 payment was made late. The payments in May 2025 were returned after they failed. And the next payments weren't made until June 2025. It is important to note that the obligation to ensure payments are made in line with the arrangement is on Mr A, so he is expected to make sure the accounts from which payments are taken have sufficient funds to clear the agreed payments. It is not for AmEx to chase payments to ensure they are made on time. Additionally, AmEx says the DCA contacted Mr A leaving voice messages several times during June as well as sending SMS messages to him.

In line with the communication sent to Mr A in January 2025, AmEx reported the repayment arrangement between January and May 2025 but after he missed payments, the default status of the accounts were registered in June 2025.

I understand there's been some discussions about Mr A being unaware that if his accounts didn't have payments made into it for 30 days then a default would be registered. He says AmEx did not make a 30-day rule clear.

But I think AmEx did enough to make it clear to Mr A that his accounts were in default and that he needed to keep to the monthly repayment arrangement to avoid the default being registered on his accounts. And it's also clear that the payments in May 2025 failed – so in line with the information given to him, AmEx was entitled to register the defaults. It looks like AmEx has also acted in line with the ICO debt guidelines.

I think AmEx gave Mr A fair notice that his account was in arrears, and that he needed to make payments in line with the payment arrangement and notified him of the consequences of not doing so. Ultimately, AmEx is obligated to record information about his accounts which reflects the true conduct of his account. It's not in dispute that payments were due monthly under the repayment arrangement which were not received in May 2025. And AmEx then registered the defaults as it said it would do. This information accurately reflects how his accounts have been managed.

I understand Mr A has recently raised concerns about further information recorded on his credit file. As explained by our investigator, I can only review Mr A's complaint based on the matters considered by AmEx up until AmEx issued its final response. And as explained above, I don't think the defaults were incorrectly registered. So, If Mr A has any additional concerns of what's been recorded on his credit file by AmEx, he needs to complain to AmEx in the first instance and allow it to consider the matter before referring that to this service.

But it may be helpful to set out that generally, once an account is registered as defaulted, this default status remains on a customer's credit file for six years, although the account should be updated with further information such as the accounts being settled as and when that happens. If Mr A believes any additional information on his credit file hasn't been recorded correctly, he will need to raise that with AmEx in the first instance.

Overall, I can't see any evidence of any errors or unfair practices on the part of AmEx. I can see Mr A has suffered genuine financial difficulty and I sympathise with his position. But it also looks like AmEx has tried to be helpful by not registering the default status of his accounts as long as the repayment arrangements were kept to, and only once they were broken did it register the defaults. It also sent him letters informing him of the status of his accounts, as well as statements to keep him updated. I think Mr A was given enough information for him to be aware that, if he missed payments, then the defaults would be registered and that's what then happened. So, I find no grounds to uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 May 2026.

Asma Begum
Ombudsman