

Complaint

Miss S has complained about a credit card AMEX Limited (“AMEX”) provided to her. She says that the card was irresponsibly provided to her.

Background

AMEX provided Miss S with a credit card with a limit of £10,000.00 in March 2023. The credit limit on the card was never increased. However, it was decreased on two occasions. Firstly, it was decreased to £8,400.00 in September 2023 before it was decreased to £7,600.00 in November 2024.

Miss S has also complained about information she was provided with during telephone calls once she began experiencing difficulty making her payments. We’ve explained that we’re considering that complaint separately. So this decision is only considering whether AMEX acted fairly and reasonably when agreeing to provide this credit card to Miss S.

One of our investigators reviewed what Miss S and AMEX had told us. And she thought AMEX hadn’t done anything wrong or treated Miss S unfairly. So she didn’t recommend that Miss S’ complaint be upheld. Miss S disagreed and asked for an ombudsman to look at her complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Miss S’ complaint.

AMEX needed to make sure it didn’t lend irresponsibly. In practice, what this means is AMEX needed to carry out proportionate checks to be able to understand whether Miss S could afford to repay any credit it provided.

Having carefully considered everything, I’ve decided not to uphold Miss S’ complaint. I’ll explain why in a little more detail.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

AMEX says it agreed to Miss S' application for a credit card after it obtained information on her income and carried out a credit search. And the information obtained indicated that Miss S would be able to make the monthly repayments required to clear a credit limit of £10,000.00 within a reasonable period of time. On the other hand, Miss S says that the card was unaffordable.

I've considered what the parties have said.

What's important to note is that Miss S was provided with a revolving credit facility rather than a loan. And this means that to start with AMEX was required to understand whether a credit limit of £10,000.00 could be repaid within a reasonable period of time. It's important to note that a reasonable period of time isn't defined in the rules. Although, the guidance indicates that the typical term associated with repaying a fixed-sum loan of an equivalent amount provides a useful yardstick. A typical term for a loan for around £10,000.00 would be around five years.

From the information provided, it looks like Miss S declared that she was employed and earning just under £39,000.00 a year. It is unclear what steps AMEX took to validate Miss S' income, although the information Miss S has provided appears to show that this income declaration was broadly accurate.

AMEX's credit check did not indicate that Miss S had had any recent previous difficulties repaying credit – such as defaulted accounts or county court judgments recorded against her. Furthermore, the credit checks also showed that the amount of Miss S existing debts elsewhere were low – less than £1,000.00.

Bearing in mind the amount of Miss S' income as well as the amount of her existing borrowing, it's arguable that AMEX was reasonably entitled to conclude that she would have enough left over to meet any non-discretionary expenditure once her total credit commitments, including what was needed to repay this card within a reasonable period of time, were deducted from her income.

Nonetheless, given the amount that Miss S could have ended up owing here, I do think that there is a reasonable argument for saying that it would have been reasonable and proportionate for AMEX to find out a bit more about Miss S' regular living costs before offering this credit card. However, I don't think that proportionate checks would have extended into obtaining bank statements. I say this particularly as there is no requirement for a lender to obtain statements from a customer.

Having considered the evidence Miss S has provided, I don't think that AMEX obtaining further information on Miss S' committed regular living expenses at the time and supplementing what it knew about her credit commitments, is likely to have led it to conclude that she did not have the funds to sustainably make the repayments due. I say this because the information provide doesn't show me that that Miss C's committed living expenses at this time meant that this credit card was unaffordable.

I appreciate that the information AMEX had and what is shown on Miss S' bank statements may not completely reflect her position at the time. For example, I note that Miss C has referred to having rent commitments for a significant amount but this does not appear on her statements. It's possible that Miss S had to start paying rent after she took out this card – I note she told AMEX that she was in rent arrears in August 2025.

But as the information Miss C has provided on her circumstances in the leadup to March 2023 doesn't clearly show she was paying rent of the amount she's referred to at this time, I'm unable to say that further checks would have shown AMEX it needed to factor such

payments into its assessment of affordability. Therefore, I can't reasonably say that this meant AMEX shouldn't have provided this card to her.

I'm sorry to hear that Miss S found it difficult to repay her credit card and I know that she has gone through a very difficult time. However, I don't think that AMEX could reasonably have anticipated that this would happen. And even though I think that there is a reasonable argument for saying that AMEX's checks before agreeing to provide this card ought to have gone further – and extended into finding out about Miss S' actual living expenses, I don't think that this would have seen AMEX make a different lending decision as a result.

In reaching my conclusions, I've also considered whether the lending relationship between AMEX and Miss S might have been unfair to Miss S under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I've not been persuaded that AMEX irresponsibly lent to Miss S or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall I don't think that AMEX treated Miss S unfairly or unreasonably when providing her with her credit card. And I'm not upholding Miss S' complaint. I appreciate this will be very disappointing for Miss S. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

Although I'm not upholding Miss S' complaint, I would remind AMEX of its continuing obligation to exercise forbearance and due consideration, given what Miss S has now said about having difficulty making her payments.

I would also encourage Miss S to get in contact with and co-operate with any steps that may be needed to review what she might, if anything, be able to repay going forward. Miss S may be able to complain to us – subject to any jurisdiction concerns – should she be unhappy with AMEX's actions in relation to exercising forbearance over her outstanding balance.

My final decision

For the reasons I've explained, I'm not upholding Miss S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 23 February 2026.

Jeshen Narayanan
Ombudsman