

Complaint

Mr H has complained about a credit card American Express Services Europe Limited (“AMEX”) provided to him. He says that the credit card and the subsequent limit increases were unaffordable for him and this resulted in ongoing difficulties including having to enter into an Individual Voluntary Arrangement (“IVA”).

Background

AMEX provided Mr H with a credit card with an initial limit of £1,000.00 in February 2016. Mr H’s credit limit was then increased on five occasions on the following occasions:

October 2016 – limit increased to £1,600.00
June 2017 – limit increased to £2,000.00
September 2017 – limit increased to £3,000.00
February 2018 – limit increased to £5,000.00
July 2018 - limit increased to £7,000.00

In July 2025, Mr H complained saying that the credit card and the limit increases AMEX provided to him were unaffordable and caused him continued financial difficulty as this resulted in ongoing financial difficulty including having to enter into an IVA.

AMEX did not uphold Mr H’s complaint. Mr H remained dissatisfied and referred his complaint to our service. When responding to our request for its file on Mr H’s complaint, AMEX told us that it believed Mr H had complained too late.

One of our investigators reviewed what Mr H and AMEX had told us. And she thought AMEX hadn’t done anything wrong or treated Mr H unfairly in relation to providing the credit card or increasing Mr H’s credit limit on the occasions that it did. So she didn’t recommend that Mr H’s complaint be upheld.

Mr H disagreed and asked for an ombudsman to look at the 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.

Basis for my consideration of this complaint

There are time limits for referring a complaint to the Financial Ombudsman Service. AMEX has argued that Mr H’s complaint about the initial decision to provide the card and the first limit increase was made too late because he complained more than six years after these lending decisions; as well as more than three years after he ought reasonably to have been aware of his cause to make this complaint.

Our investigator explained why it was reasonable to interpret Mr H’s complaint as being one alleging that the relationship between him and AMEX was unfair to him as described in

s140A of the Consumer Credit Act 1974 (“CCA”). She also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I’ve decided not to uphold Mr H’s complaint. Given the reasons for this, I’m satisfied that whether Mr H’s complaint about the specific lending decisions was made in time or not has no impact on that outcome.

I’m also in agreement with the investigator that Mr H’s complaint should be considered more broadly than just the lending decisions. I consider this to be the case as Mr H has not only complained not about the respective decisions to lend but has also alleged that this unfairly impacted upon his financial position moving forward and that he had to enter into an IVA as a result.

I’m therefore satisfied that Mr H’s complaint can therefore reasonably be interpreted as a complaint about the overall fairness of the lending relationship between him and AMEX. I acknowledge AMEX may not agree that we can look at parts of Mr H’s complaint, but given the outcome I have reached, I do not consider it necessary for me to make any further comment, or reach any findings on these matters. This includes Mr H’s arguments on why he believes that he complained in time.

In deciding what is fair and reasonable in all the circumstances of Mr H’s case, I am required to take relevant law into account. As, for the reasons I’ve explained above, I’m satisfied that Mr H’s complaint can be reasonably interpreted as being about the fairness of the lending relationship between him and AMEX, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (AMEX) and the debtor (Mr H), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. S140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given Mr H’s complaint, I therefore need to think about whether AMEX’S decision to initially lend to Mr H, increase his credit limit on the occasions it did, or its later actions resulted in the lending relationship between Mr H and AMEX being unfair to Mr H, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Our approach to unaffordable and irresponsible lending complaints

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 Mr H’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 Mr H could afford to repay any credit it provided.

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.

Mr H's relationship with AMEX is therefore likely to be unfair if it didn't carry out reasonable and proportionate checks into Mr H's ability to make his repayments in circumstances where doing so would have revealed the credit card or the limit increases to be unaffordable, or that it was irresponsible to lend. And if this was the case, AMEX then didn't somehow then remove the unfairness this created.

I've considered Mr H's complaint in this context.

The parties' submissions

AMEX says it initially agreed to Mr H's application after it obtained information on his income and carried out a credit search. And the information obtained indicated that Mr H would be able to make the monthly repayment due on this credit card. It says similar checks were carried out before Mr H's credit limit was increased on the occasions that it was and these checks also showed the limit increases to be affordable.

On the other hand, Mr H says that credit card and limit increases were unaffordable and that they caused him ongoing financial difficulty as a result.

I've considered what the parties have said.

AMEX'S initial decision to offer Mr H a credit card and increase his credit limit on the first two occasions

What's important to note is that Mr H was provided with a revolving credit facility rather than a loan. And this means that to begin with AMEX was required to understand whether credit limits of £1,000.00, £1,600.00 and £2,000.00 could be repaid within a reasonable period of time. It's fair to say that credit limits of this much wouldn't have required especially high monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I understand that AMEX will have carried out credit checks on Mr H. However, as it has been some time since these were done, it no longer has a copy of this documentation. I appreciate Mr H feels that it is unreasonable for AMEX to no longer have this information. However, Lloyds isn't required to hold such information indefinitely. Furthermore, as Mr H chose to make his complaint in July 2025, rather than when this information was available, I've not drawn any adverse inferences due to the lack of this information.

I appreciate that Mr H says that he had defaulted accounts and high existing credit balances at the time of these lending decisions. But without anything to validate this being the case, I'm simply unable to make a finding of fact based on Mr H's uncorroborated assertion alone.

This is especially given the amount of credit Mr H was initially given access to wasn't especially high.

As this is the case, as well as the amount of Mr H's income at these respective times and the amount required to repay limits of £1,000.00, £1,600.00 and £2,000.00, I've not been persuaded that it was unfair for AMEX to offer Mr H a credit card or the first two limit increases and therefore there was no unfairness created at these respective stages.

The final three credit limit increases AMEX offered to Mr H

As I've explained in the background section of this decision, AMEX increased Mr H's credit limit on a further three occasions. It offered to increase Mr H's credit limit to £3,000.00 in September 2017, £5,000.00 in February 2018 and finally £7,000.00 in July 2018.

Bearing in mind the extra being granted at the time of these limit increases and the fact that Mr H could be left with having to repay £3,000.00, £5,000.00 and then £7,000.00 within a reasonable period of time, I do think that it would have been reasonable and proportionate for AMEX to have found out a bit more about Mr H's regular living costs before offering these increases.

As I can't see that this was something that AMEX did do, I don't think that it carried out reasonable and proportionate checks before providing these final three limit increases to Mr H.

However, even though I've not been persuaded that AMEX's checks were proportionate, I don't think that further checks would have prevented AMEX from offering these limit increases to Mr H. I say this because the information Mr H has provided on his circumstances at the time of these limit increases does suggest that he would have sufficient funds left over to be able to afford the monthly payments to this credit card, once his committed expenditure was deducted from the income he received at this time.

I'm also mindful that while Mr H has referred to his existing debts at the time of these limit increases, I'm not persuaded that this meant he shouldn't have been lent to, given he declared having an income of £36,000.00 and then £43,000.00 at the time of the final two limit increases.

In reaching my conclusions, I've also noted that the information that is available appears to indicate that Mr H's circumstances may have changed for the worse around the time of the pandemic. Indeed, it looks like Mr H went into his IVA around this point. I'm very sorry to hear about Mr H entering into an IVA and it's clear that this would have resulted in him going through an extremely difficult period. However, I do need to keep in mind that this occurred almost two years after AMEX's final lending decision.

As this is the case, I don't think that AMEX could have anticipated that Mr H's circumstances would alter so drastically. Given Mr H also doesn't appear to have had any payment issues before then, it does tend to support the fact that it was an unfortunate worsening in Mr H's circumstances that resulted in the credit card and the limit increases being unaffordable rather than this having been the case at the outset.

Bearing all of this in mind, I'm not persuaded that AMEX irresponsibly provided the final three limit increases either.

Overall, and based on the available evidence I don't find that Mr H's relationship with AMEX was unfair. I've not been persuaded that AMEX created unfairness in its relationship with Mr H by irresponsibly lending to him whether when initially agreeing to provide him with a

credit card, or in respect of the credit limit increases. I don't find AMEX treated Mr H unfairly in any other way either based on what I've seen.

So overall and having considered everything, while I can understand Mr H's sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mr H. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 April 2026.

Jeshen Narayanan
Ombudsman