

## **The complaint**

Mr S complains American Express Services Europe Limited (Amex) acted unfairly when it defaulted his account.

## **What happened**

Mr S says he contacted Amex in early January 2025 by webchat as he wanted to cancel his account. Mr S says he asked if Amex could pro rata the annual membership fee and what he needed to do to close the account. Mr S says despite asking for how he could settle the account he was told by Amex it would let him know, but he never received any further communication from them.

Mr S says it wasn't until he returned to the UK and contacted Amex again in May 2025, that he learnt his account had been defaulted, affecting his credit file. Mr S says he repaid the account immediately after he was made aware of what he owed but Amex refused to remove the default which he feels is unfair.

Amex says by the time Mr S contacted them in January 2025, his account was already in arrears and he was told he needed to check the status of his account in 10 days, after it had made a pro rata refund of the annual membership fee, so he could settle the account - but this never happened. Amex says it attempted to contact Mr S by phone on several occasions in January 2025 but were unable to get through.

Amex says it sent a notice of default in writing to Mr S's overseas address later in January 2025, in line with its standard process but heard nothing further from him until late May 2025 when the account was finally settled. Amex says it has acted correctly here and it has an obligation to inform the relevant credit agencies of its customers account activity.

Mr S wasn't happy with Amex's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says while Mr S wasn't provided with the exact details of how much he needed to pay to clear his account in early January 2025 by Amex during a webchat, he was told to recheck his account online or contact them in 10 days' time, but that never happened. The investigator says in any event Mr S would have been aware that following any pro rata fee refund he still would have an outstanding balance to pay to close his account.

The investigator pointed out that he'd seen information from Amex to show it had made several attempts to contact Mr S in January 2025 by using the phone number it held in its records but was unable to get through. The investigator says Amex also issued a formal notice of default in late January 2025 to the overseas address Mr S provided. While Mr S says he never received any such letter, the investigator felt he couldn't hold Amex responsible for the fact it may not have been delivered by the postal service.

The investigator felt Amex had followed the standard default process and as it hadn't made an error here, he couldn't ask it to remove the default on Mr S's credit file.

Mr S didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to hear that this matter has caused Mr S upset and worry. When looking at this complaint I will consider if Amex acted unfairly when it defaulted Mr S's account.

Mr S's complaint centres around his view Amex acted unfairly when it defaulted his account with them. In particular Mr S says despite having held a webchat with Amex in January 2025 regarding his request to provide details so he could close his account – this wasn't provided by Amex. Mr S says it wasn't until May 2025 he discovered his account had been defaulted and he had never received any communication from Amex during the period from when he rang in January 2025, up until he settled the account in May 2025.

While I understand the points Mr S makes here I'm not fully persuaded by his argument and I will go on to explain why.

Both Mr S and Amex have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything that's been said – I have. But it's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

From the information I have seen Mr S contacted Amex by webchat in early January 2025 to discuss the cancellation of his account and to obtain a partial refund of the annual card fee. It's worth mentioning here that in all likelihood from previous years of him holding the account, Mr S would have been aware his annual fee was due in October 2024. So by the time he had made contact with Amex in January 2025, he hadn't taken steps to cover this fee, or the minimum monthly payment that would have been due.

Having looked at the statements provided, it appears Mr S's last payment to his account was in October 2024 to cover the previous monthly statement balance, which suggests Mr S did have access to his Amex account statements, so would have known before he contacted them an outstanding balance was due. The point I am making here is even if after Mr S made contact by webchat in January 2025, at which point he wasn't made clear of the exact amount he owed after the pro rata refund, he would have still been aware he needed to make some sort of payment to the account.

I can also see that following the webchat in January 2025, Amex made a number of attempts to telephone Mr S to discuss matters using the phone number he had previously provided them with, but Amex weren't able to get through to him. In addition Amex issued a written default notice to the overseas address Mr S had provided in January 2025, that Mr S says he never received, and while that may be the case I can't hold Amex responsible for its non-delivery as that would be outside of its control.

The fact remains here while Mr S may not agree, he was aware he needed to settle his account with Amex, but I can't see he made any further attempts to establish what he owed

until May 2025, by which time the account had already been defaulted.

So taking everything into account, I am satisfied Amex did make reasonable attempts to make Mr S aware of what he owed and I can't say it made any error in carrying out its standard process to register a default here. With that in mind it would be unfair of me to tell Amex it must now correct that, as it does have a regulatory obligation to inform the relevant credit agencies of its customer account activity.

I've also considered whether Amex acted unfairly or unreasonably in some other way given what Mr S has complained about, including whether its relationship with him might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been the case.

While Mr S will be disappointed with my decision, I won't be asking anymore of Amex but if Mr S so wishes, he can register a "Notice of Correction" with the relevant credit agencies explaining the circumstances surrounding the default.

### **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 Mr S to accept or reject my decision before 9 March 2026.

Barry White  
**Ombudsman**