

The complaint

S and S, a limited company, is unhappy with the advice American Express Services Europe Limited (Amex) gave it regarding a payment, and that they subsequently imposed a spending limit on its business charge card.

S and S has been represented during the claim and complaint process by its directors Mr J and Mr H. For ease of reference, and where appropriate, I will refer to any comments made, or any action taken, by either Mr J or Mr H as “S and S” throughout the decision.

What happened

The complaint circumstances are well known to both parties, so I don’t intend to list this chronologically and in detail. However, to summarise, S and S had a business charge card with Amex that had been opened in August 2022. On 31 January 2025, S and S contacted Amex to ask whether making a payment shortly after the due date of 5 February 2025 would be acceptable. Amex advised S and S that, as long as a payment was received before the statement date of 10 February 2025, there would be no impact on the account. Following this advice, S and S made the payment on 8 February 2025.

Shortly afterwards, Amex imposed a spending limit of £4,800 on the account, increasing this to £10,000 in April 2025.

S and S complained to Amex about what had happened. Amex acknowledged that they had misadvised S and S on the 31 January 2025 call, saying the payment could be paid by 10 February 2025, not 5 February 2025, and that a late payment marker had been added. They removed this marker, and paid S and S £50 compensation for the impact of this mis-advice.

However, Amex maintain that the imposition of the spending limit wasn’t solely because of the late payment, and there were other factors taken into consideration when making their decision. Unhappy with this, S and S brought their complaint to the Financial Ombudsman Service for investigation.

Our investigator said that Amex could’ve done better – not only did they give S and S incorrect advice about when the payment was due, they also provided further poor service in their explanations about why the spending limit was applied when it was, and whether a late payment marker had been applied. This would’ve caused S and S further inconvenience, so the investigator said that Amex should increase the compensation from £50 to £200.

S and S didn’t accept the investigator’s opinion. They said the impact of Amex’s poor service, and resultant imposition of a spending limit, had caused them to cease trading. So, S and S thought the compensation should be in the region of £5,000 to £10,000, to account for the loss of the business and the individual debts Mr J and Mr H have been left with as directors. Mr J also provided detailed comments explaining the impact Amex’s decision to impose a spending limit had on S and S, and how this eventually caused S and S to cease trading.

Because S and S didn't agree with the investigator's opinion, this matter has been passed to me to decide.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time S and S were supplied with a business charge card by Amex. This is a regulated consumer credit agreement which means we're able to investigate complaints about it.

I've listened to the call between Mr H, on behalf of S and S, an Amex, which took place on 31 January 2025. In this call Mr H explained that, while the next payment was due by 5 February 2025, there was an issue with payments that S and S was due to receive. So, he asked if there was any grace period for making this payment late (after the date it was due).

Amex explained there was an outstanding balance which would need to be paid by 10 February 2025 'at the latest' as this was when the next statement was due to be produced. Mr H asked what would happen if the payment was paid later than 10 February 2025, and Amex explained that, in these circumstances, he would need to phone back and speak to a different department – he was not able to speak to them at this point as the payment was not yet missed.

It's not disputed that, in telling Mr H what they did, Amex misadvised S and S about when payment needed to be made by – Mr H should've been told that there was no grace period and he would be able to speak to the other department to discuss matters if the payment wasn't made by 5 February 2025, and not if it wasn't paid by 10 February 2025.

However, when considering this matter as a whole, I need to consider what likely would've happened if Amex had provided S and S with the correct information. Mr H had already advised of a cashflow issue and indicated that payment may not be able to be made by 10 February 2025. He also clearly confirmed that he knew payment was due by 5 February 2025. As such, on the balance of probabilities, I'm satisfied that it was S and S's intention to make the payment as soon as they were able – by 5 February 2025 if possible, and as soon as possible afterwards if not.

The payment was actually paid on 8 February 2025, and I haven't seen anything to show me that S and S were able to make this payment sooner but chose not to do so based on Amex's advice. Therefore, I'm not satisfied that, if Amex had told Mr H the payment needed to be paid by 5 February 2025, it would've been – if S and S were able to make this payment on time, even if this had been by way of a temporary director's loan, then I'm satisfied they would have done so.

Turning now to the imposition of a spending limit. I've seen a copy of the terms and conditions of the agreement S and S had with Amex. Under the heading "*is there a limit on how much you can spend?*" the terms clearly say "*we don't usually limit how much you can*

spend on your account but, from time to time, we may set a spending limit which could be temporary or permanent.” I’m therefore satisfied that Amex were able to impose a spending limit, and I’ve seen they did this before – a temporary spending limit of £3,900 was imposed on the account in January 2024.

Amex have explained there are multiple factors, both internal and external, that would be considered when imposing a spending limit. These risk factors will change over time and are commercially sensitive, so I don’t expect Amex to share these with S and S. However, Amex have clearly said the spending limit was not imposed directly and solely because of the late payment in February 2025 – the temporary spending limit imposed in January 2024 wasn’t linked to a late payment as the previous payment was made on time.

This doesn’t mean that the late payment (which, as I’ve said, I’m satisfied would’ve been paid late regardless) wasn’t a factor in this decision. But it’s also the case that Mr H advising Amex that S and S was having cashflow problems and may not be able to pay its liabilities when they fall due could also have been a factor. However, Amex’s reasons for imposing the spending limit aren’t actually relevant, what is relevant is that they were able to review the account and impose a spending limit at any point they felt it reasonable to do so. Which is what they did.

I’ve carefully considered Mr J’s submissions about why the imposition of a spending limit caused S and S to cease trading. While I don’t doubt what he’s said, in essence S and S were reliant upon a single line of open credit from Amex to be able to operate and continue trading – if this wasn’t the case then the imposition of a spending limit wouldn’t have had the effect Mr J has said it did. While Mr J and Mr H chose to structure and operate S and S in this way, the terms and conditions of the business charge card made it clear that Amex could impose a spending limit, and therefore S and S was not entitled to an ongoing rolling open unlimited line of credit from Amex.

As directors, Mr J and Mr H chose to accept the risks involved in operating while reliant upon a single line of credit that could be limited or withdrawn at any time. And, when S and S stopped trading as a result of Amex imposing the spending limit, this shows that Mr J and Mr H didn’t sufficiently mitigate for that risk. While I appreciate this unfortunately resulted in S and S stopping trading, and them individually assuming S and S’s debts (presumably by way of personal guarantees they signed as directors), I’m unable to say that Amex should accept the responsibility and liability for what happened – as I’ve explained above, Amex acted reasonably and in line with the terms of the agreement by imposing a spending limit, as they had done previously without issue.

So, and while I appreciate this will come as a disappointment to Mr J and Mr H, I won’t be asking Amex to compensate them for the losses involved with S and S ceasing trading.

However, this doesn’t mean that S and S shouldn’t be compensated for the misadvice on the phone call of 31 January 2025, and the subsequent poor service caused by Amex’s explanations about why the spending cap was applied when it was, and whether a late payment marker had been applied. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service’s approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I note our investigator recommended Amex pay S and S an additional £150, taking the compensation to a total of £200, to recognise the impact on S and S caused by their service. And Amex haven’t objected to this. Having considered this recommendation, I think it’s a fair one taking into account all the circumstances, and one that falls in line with our service’s approach and what I would’ve directed, had it not already been put forward. So, this is a payment I’m directing Amex to make.

Putting things right

If they haven't already, Amex should pay S and S an additional £150, taking the total compensation to £200, in recognition of the impact caused by their service. They must pay this compensation within 28 days of the date on which we tell them S and S accepts my final decision. If they pay later than this date, Amex must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment.

If HM Revenue & Customs requires Amex to take off tax from this interest, they must give S and S a certificate showing how much tax they've taken off if it asks for one.

My final decision

For the reasons explained, I don't uphold S and S's complaint about American Express Services Europe Limited.

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

Andrew Burford
Ombudsman