

The complaint

Mr K complains that American Express Services Europe Limited (AESEL) acted irresponsibly when they agreed to lend to him.

What happened

In February 2022, Mr K successfully applied for a credit card with AESEL with a credit limit of £8,200. Mr K confirmed he does not dispute the account opening, but the fact that AESEL continued to allow him to use the card despite repeated gambling transactions, and for applying interest and fees when he was in financial distress. He says he was facing financial difficulty between September 2024 and July 2025 and would like fees and interest from this time to be refunded.

AESEL reduced Mr K's credit limit in September 2024 to £7,600 and he reduced his own limit in January 2025 to £900. Mr K complained to AESEL in July 2025, and the account was referred to a collection agency in October 2025.

AESEL say that they considered Mr K's overall creditworthiness and based on this they felt that they'd made a fair lending decision when they opened the account. Mr K wasn't happy with AESEL's response, saying they only dealt with the account opening and ignored later behaviour, reiterating that he was not disputing the account opening. So, Mr K referred his complaint to us.

Our investigator said that they didn't think that AESEL had done anything wrong in allowing him to continue using his credit card from September 2024 to July 2025. AESEL didn't dispute this position, but Mr K did. In summary, he said that AESEL had asked him about transactions on his account, which he said were for gambling. He doesn't recall saying he had stopped gambling. He says he was only making payments at or above the minimum by using balance transfers to other credit providers. He agreed that AESEL acted appropriately once arrears arose but thought they should have done more prior to this.

Our investigator gave subsequent correspondence that AESEL's contact notes evidence that Mr K said he had stopped gambling. They also didn't think the ongoing gambling was immediately evident from his accounts and there was nothing that would have flagged he was experiencing financial difficulty. Mr K didn't agree and asked for an ombudsman to decide on the matter. So, the case 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.

While Mr K has provided detailed evidence of his complaint, and I've considered all the available information, I've not reflected every point that has been raised. No discourtesy is intended here, this is merely to reflect my informal role in deciding a fair and reasonable outcome. So, I've focused on what I think are the key issues of the complaint. If there is something I haven't mentioned, it isn't because I've ignored it.

I've considered what both parties have said about Mr K's lending with AESEL. Having carefully considered everything, I think that AESEL acted fairly and reasonably.

The relevant rules, regulations, and guidance at the time of AESEL's lending decision required them to carry out proportionate checks. These checks needed to assess Mr K's ability to afford the loan being approved and to be able to repay it sustainably, without causing him financial difficulties or harm. They must also consider the information obtained from these checks to make fair lending decisions.

Mr K didn't think that the account opening was unfair and has confirmed he is only raising concerns with AESEL's actions between September 2024 and July 2025 while he was in financial difficulty. I've gone on to consider the period of time which Mr K has complained about.

AESEL needs to act with forbearance. There's no fixed method by which this is to be achieved. As the circumstances of each individual borrower is different, a business needs to tailor their actions to take account of the customer's needs. But it is up to each business to decide what steps are taken to assist each customer. I've considered if there was anything prior to AESEL responding to Mr K's complaint with them that ought to have made them aware that they should have taken action here.

Mr K says he was facing financial difficulty from September 2024. At this time, he was spending a large amount on payments to an online payments platform. In October 2024, AESEL noted these payments and reached out to Mr K to find out more about them. AESEL's contact notes show that they confirmed Mr K was self-employed, and they had verified the payments on his account. Mr K said that the transactions to this online payments platform account were for gambling in the past, but he had since stopped gambling. He said the accounts were for him and a friend. AESEL advised Mr K of the consequences if he misused the card, and Mr K assured them that he understood.

Following this, payments continued to be made to the same online payments platform accounts. Throughout this time, Mr K continued to make repayments on his credit card account far exceeding the minimum required and there were no late payments, so on the face of it the account was being well managed. He took steps to lower his credit limit significantly to £900 a few months later. Without missed payments or some other concern, I don't think that reducing the credit limit would necessarily be a sign on its own of financial difficulty.

I think that AESEL can't have known precisely what these transactions were for, as money can be transferred to the online payment platform for lots of legitimate reasons. They had been reassured by Mr K that his gambling activity had ceased, and within a few months of this concern being raised, he took steps to reduce his credit limit while continuing to make significant repayments far above the required amount. As such, I don't think they needed to take any further action here.

In July 2025, AESEL asked Mr K to speak to them after he had missed a payment. Mr K told AESEL he had difficulties for the past four to five months after a reduction in his earnings. He said he wasn't sure when this would improve. AESEL asked Mr K to complete an income and expenditure form and to arrange a call back the following month as he said he could make the missed payment in mid-August 2025. Mr K missed another payment in August 2025 and did not answer calls from AESEL. Once he made contact, Mr K confirmed his financial situation had not improved, and an income and expenditure assessment found he had negative disposable income.

AESEL took steps to refer Mr K to charities which could assist him with his debt and Mr K agreed for his account to be cancelled and defaulted, with interest and charges being frozen. The account was then referred to a third-party debt collector in October 2025. While I would expect AESEL to continue to act with forbearance once learning of Mr K's financial situation, I do not think that there was enough prior to Mr K's complaint being raised that ought to have prompted AESEL to take further action in this regard. I think that they acted fairly once learning of Mr K's situation.

In reaching my conclusions, I've also considered whether the lending relationship between Mr K and AESEL might have been unfair to Mr K under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that AESEL did not lend irresponsibly when providing Mr K with the credit account or otherwise treat him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons given above, I do not uphold this complaint against American Express Services Europe Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 May 2026.

Frances Kerslake
Ombudsman