

The complaint

Mr J is unhappy American Express Services Europe Limited ('Amex') would not remove a credit card late-payment marker from his credit file. Mr J says Amex did not treat him fairly and they were inflexible in their dealings with him.

What happened

I issued my provisional findings to both parties setting out why I did not think Mr J's complaint should be upheld, and invited both parties to provide any further submissions in reply to my provisional decision.

The background to this complaint was set out in my provisional decision together with my provisional findings, which are included below and now form part of this final decision.

Background

In early April 2025 Mr J discovered a late-payment marker had been reported to the credit reference agencies (CRAs) because the credit card payment for February 2025 was not made in time. Mr J immediately rectified the situation by clearing the balance on the account and setting up a Direct Debit, after finding out one was not already in place.

Mr J approached Amex to remove the late-payment marker from his credit file explaining that it had been an honest mistake to miss making the payment on time. Mr J said he had believed – due to providing his bank details at the time of application – that a Direct Debit was already in place; he was also abroad at the time, and he had never missed payments previously as he typically cleared his balance in full.

Mr J repeatedly impressed upon Amex the importance of removing the late-payment marker as it would affect the mortgage application he was intending to make imminently. Mr J said the mortgage was being raised to purchase a property abroad to which he had already financially committed. Mr J explained not meeting his financial commitment abroad would have significant financial consequences for him.

Amex considered Mr J's request, but concluded they had not done anything wrong in their reporting of the late-payment marker.

Mr J also expressed his concerns that Amex had not done enough to step outside of their processes to help him. But Amex did not find they had done anything wrong here either.

Our Investigator did not uphold Mr J's complaint as they considered, given the circumstances, Amex had not done anything wrong. Mr J strongly disagreed.

Before completing my considerations I approached Amex for further information, including the available call recordings between Mr J and Amex, and for details of Amex's online credit card application.

Provisional Findings

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

I assure both parties that while I have only included a summary of what has happened above, I have reviewed all the available submissions and evidence. And while I may not respond to every individual point raised by either party, this is because I have focused on what I consider relevant to reaching a fair and reasonable resolution in this matter, as I am required to do.

To reach a fair and reasonable decision I have taken into account any relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I also make clear that it is not my role to interfere with a firm's practices, systems or controls, nor is it for me to fine or punish a firm – these are all considerations for the appropriate regulator.

I note Mr J's reference to other customers he found online for whom he says Amex removed late-payment markers, but the matter I have considered here relates to what has happened in Mr J's case only.

The Information Commissioner's Office ('ICO') sets out guidance for firms on reporting to the CRAs and Amex have a responsibility, amongst other things, to report fair, accurate, consistent and up to date information about their customers to the CRAs.

The ICO's principles set out that if an expected payment is not made by the agreed time and / or for the agreed amount according to the terms and conditions of the account, then the account can be reported as being in arrears.

Mr J was required to make a payment of £57.03 by 28 February 2025, but did not make the payment until 14 March 2025. The payment was therefore not made when it should have been.

In light of this Amex were entitled to report the late-payment marker when they did.

Mr J does not dispute that the payment was made late, but he has shared that this was a one-off and honest mistake.

Mr J has submitted this was largely due to Amex's application process and his understanding that after completing the application a Direct Debit had been set up to collect the minimum payment. Mr J said he had understood the Direct Debit was in place because he had provided his bank details during the application process, and he recalled that with other lenders provision of his bank details had meant a Direct Debit was set up.

Amex have provided copies of the online screens Mr J would have seen going through the application for his particular credit card, which he took out in June 2024.

Mr J is right in saying he was required to provide details of his bank account as part of the application process. However, this particular section of the application says: *Your banking information is one of several factors we use to determine your Card eligibility. Providing your bank details here does not authorise any payments or set up Direct Debit payments. If Direct Debit is required, you can do this after approval.*

Amex have also shared that after Mr J's application was approved, he was sent an email on

4 June 2024 confirming this. The email set out the next steps including how to activate the card and online account, as well as where to look online to see all the ways available to make payments, *including how to set up a Direct Debit*.

The Direct Debit scheme website sets out that customers setting up a Direct Debit Instruction should expect the organisation to let them know how much will be collected and when – usually via a form of bill, text, letter or email. There is no evidence supporting Amex confirmed to Mr J that a Direct Debit had been set up for the account when it was first opened. When Mr J did set up a Direct Debit in March 2025, this was confirmed to him in writing.

The Direct Debit scheme also sets out that customers ought to check their Direct Debit details and contact the organisation with any queries, as well as check their bank account regularly to ensure payments are being made as expected.

Mr J's statements also supported that no Direct Debit had been set up. The information on Mr J's statements under the section "How can you pay your statement" explains that for Direct Debits payment will be collected from the individual's bank account on the Direct Debit due date listed on the front of the person's statement.

Mr J's statements – from the time of opening the account, until after Mr J had set up the Direct Debit in March 2025 – did not show that a Direct Debit was set up to collect payments, and the transaction history on the statements did not show any Direct Debit payments had been collected as credits to the account.

There is nothing I've seen to support that Mr J queried the absence of the Direct Debit on his statements or that he questioned the absence of payments being taken from the bank account he expected the Direct Debit to be collected from.

Amex have confirmed no Direct Debit mandate was set up prior to March 2025, and that Mr J – for several months since the account was opened – made manual payments to the account.

While carefully considering what Mr J has said his recollections are of setting up the account, there is not enough here to persuade me that Amex did anything wrong as it seems more likely than not that it would have been apparent a Direct Debit had not been set up when the account was opened. And that was something that would need to be done separately after the application had been approved.

During the calls I have listened to as part of my review I have noted that Mr J did, on occasions, recognise his own culpability with the Direct Debit not being set up. And it followed that Mr J therefore, given the particular circumstances and pressure of his financial commitment to purchase the property abroad, appealed to Amex to be flexible in their decision about the removal of the late-payment marker, particularly given this was not a case of being in financial difficulties, rather that it was a one-off genuine error he corrected immediately.

I am in no doubt that it was never Mr J's intention to avoid making the required payment to Amex in February 2025, so it seems that what happened was most likely an oversight on Mr J's part.

But I am required to decide what is fair and reasonable in the circumstances of each case for both parties, and as I've set out above, I have not seen anything to persuade me that Amex were not entitled to report the late-payment marker when they did, given this accurately reflected the status of the account.

I realise the timing of the late-payment marker was particularly bad-timing for Mr J given he was about to arrange a mortgage and that this was very stressful for Mr J. However, it is difficult for me to say Amex have done something wrong or acted unfairly as there was no requirement for them to make an exception given the late-payment marker was being reported accurately.

Mr J has also said Amex were not quick enough in their consideration of his request to remove the late-payment marker and their delayed considerations and inflexible processes added to his worry at that time.

Mr J first contacted Amex about what had happened on Saturday 5 April 2025, and Mr J was told it could take 10 working days for them to look into things. They also managed Mr J's expectations early on that the reporting appeared correct, and that any removal would therefore be an exception and need to be considered. Amex let Mr J know on 11 April 2025 that the relevant team had considered the request, but they were not able to remove the late-payment marker for him as it was being reported correctly. Mr J was unhappy with this and the complaints team agreed to make an appeal to the relevant team to reconsider. On 15 April 2025 Amex confirmed that after a further review they would not remove the late-payment marker.

I recognise that time was of the essence here for Mr J, but I think Amex did set out their timeframes to him and they did escalate things as far as they reasonably could.

I'm aware Mr J also said in his submissions that Amex were not using his data correctly as they had taken details of his bank account, setting out that they were for the application, but then used the bank account details to send a credit payment to him. From what I've reviewed it appears the credit on Mr J's credit card balance was returned to the account Amex had said it came from. In the circumstances, this does not seem unreasonable.

While realising this outcome will be a disappointment for Mr J, having taken everything into account, in the circumstances, I have not seen enough to persuade me that Amex have done anything wrong here or acted unfairly.

Responses to my provisional decision

Amex did not reply with any further evidence or submissions for me to consider.

Mr J did not accept the provisional decision and raised further concerns about what had happened, which I've summarised below. Mr J said:

- 1) Amex have acted unfairly towards him as they have used discretion to remove late-payment markers for other customers in the case of genuine errors.
- 2) It was important to obtain verification of the screenshots Amex had supplied as evidence of what he would have seen online during the application process in June 2024, given he did not recall a warning of such clarity that the provision of bank account details did not mean a Direct Debit had been set up.
- 3) Amex's failure to locate call recordings from the early stages of his complaint questioned the reliability of Amex's version of events.
- 4) The statements for his account were not clear in highlighting that no Direct Debit was active on the account.

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.

As the deadline has now passed for both parties to provide any further evidence or submissions for me to consider, I have reviewed Mr J's complaint once more. I realise this will be a disappointment for Mr J, but having given his most recent submissions careful consideration I am not persuaded this is enough to depart from my provisional conclusions as I'll explain in reference to the points from Mr J summarised above.

Point 1

As both parties are aware, Mr J brought his case to our service to seek a resolution to his complaint. Our service is an informal dispute resolution service that was set up to resolve individual disputes related to financial problems. Therefore, while I have noted what Mr J has said about the experience of other Amex customers, I am afraid those are not cases that I am required to consider here.

My role is to decide what is fair and reasonable in the individual circumstances of the complaint. And to uphold Mr J's complaint I would need to find that Amex had done something wrong or acted unfairly.

As I've set out above in my provisional findings, having had consideration to the industry guidance in relation to the reporting of arrears (or late payments), and having regard to Amex's responsibility to report accurate and up to date information about a person's account, it is difficult for me to say Amex were wrong or acted unfairly by reporting the late payment when they did.

Mr J explained it was an honest mistake driven by his belief that a Direct Debit had been set up at the point of opening the account. But as I set out above, my provisional conclusions were that Mr J more likely than not was aware there was no Direct Debit in place.

Point 2

Amex have provided screenshots of what they say Mr J would have seen during the course of the application process. Mr J disputes that these are the screenshots he would have seen as he does not recall the warning that the provision of bank details was not an authorisation to set up a Direct Debit.

As I am sure both parties can appreciate, I cannot be certain as to what Mr J would or would not have seen when he applied online for the account. I was not there.

Where evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words it means I base it on what I consider is more likely than not to have happened given the available evidence and the wider circumstances.

On balance, in the circumstances, I think it more likely than not that the application Mr J completed in June 2024 did not include the option to set up a Direct Debit.

I say this because even if I accept that the screenshots Amex have provided were not exactly the same as the ones that Mr J saw, Amex's practice is not to set up a Direct Debit at the time of application. It is not a requirement of the account as customers are able to choose their own preferred method of payment. This is reaffirmed by information on Amex's website and by what Mr J was told by Amex during the course of this matter.

So, on balance, it seems more likely to me than not, that Mr J would not have been able to set up the Direct Debit when he completed the application and so he would not have received any confirmation of doing so. Or in other words, there is not enough here for me to say that Mr J more likely than not could have understood he had set up a Direct Debit during the application process.

Point 3

I listened to several call recordings supplied by Amex, including the initial call Mr J made to Amex letting them know he had discovered a late payment marker on his account. And I have listened to numerous other calls between Mr J and various staff members at Amex throughout the course of the complaint, during which Amex attempted to resolve things for Mr J, and in which Mr J gave his explanations to Amex about what had happened and why he believed it fair that Amex should make an exception for him.

Mr J doubts the reliability of a complete and accurate picture of what he was told. But as I've already explained above, where the evidence is incomplete inconclusive or contradictory I reach my decision on the balance of probabilities. And from what I have heard and from what I have reviewed I think on balance Amex did try to manage Mr J's expectations from the outset that the reporting appeared to be correct and that anything else would need to be considered as an exception. And that Mr J acknowledged that he bore some responsibility, while appealing to Amex to be flexible in his case.

It is evident that Amex considered Mr J's request for an exception to be made, which was passed to the appropriate staff / teams to consider, but there was no requirement for them to remove the late payment marker, and that was Amex's decision. This wasn't something they had to do. So it is not possible for me to say they have done something wrong here or that the continued reporting of the late payment marker is unfair.

Point 4

While I have considered Mr J's further submissions about the statements, I do not think there is much more I can add to what I have already said in my provisional findings.

Mr J's concern is that the statements are not clear enough in setting out whether a Direct Debit is in place. And Mr J has said he was therefore unaware there was no Direct Debit set up.

But the statements did include information on how to pay the statement; there were several months where there were no Direct Debit transactions showing on Mr J's statements prior to these events; and there was no indication on the Amex statements of what would be collected by Direct Debit for Mr J to know what more he might need to clear the balance if that is what he wanted to do. Mr J also did not query the absence of the Direct Debit from his own bank statements; and there was no evidence that it was confirmed to Mr J that a Direct Debit had been set up at the time of the account opening, rather the email confirming the account had been opened referenced different ways to pay the account including how to set up a Direct Debit.

In the circumstances, I think there were therefore several things that could have alerted Mr J to the fact he had not set up a Direct Debit, particularly if that was something he had expected to be in place. So I don't think it unreasonable that it would follow for Mr J to have questioned or checked the Direct Debit was in place prior to these events.

Having listened to the calls between Mr J and Amex I am aware of Mr J's strength of feeling on this matter and of his frustration with Amex's processes. My findings here are not to add

to Mr J's upset and stress caused by what has happened as I realise this was a particularly stressful time for him, but I must find what I think is a fair and reasonable resolution to this complaint for both parties. And in the circumstances there is not enough for me to fairly uphold Mr J's complaint given, in short, Amex have not done anything wrong or acted unfairly here.

My final decision

For the reasons above, my final decision is that Mr J's complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 March 2026.

Kristina Mathews
Ombudsman