

The complaint

Mr S complains that American Express Services Europe Limited (AESEL) declined his request to increase the credit limit on his credit card. Mr S is also unhappy that AESEL haven't explained their decision for this and that they didn't consider his circumstances appropriately.

What happened

Mr S has a credit card account with AESEL. In November 2022, he phoned them and asked to increase the credit limit, but this was refused. Mr S says the conversation he had with AESEL led him to believe that his request was refused based on the workings of an algorithm and he asked for a manager to call him back to discuss this. However, Mr S says this didn't happen.

Mr S complained to AESEL about their decision not to increase the credit limit and pointed out that he had an exemplary credit record. Mr S also complained about AESEL's customer service and in particular the phone call he'd been promised which didn't materialise.

AESEL didn't uphold the complaint and said the current credit limit was the maximum they could offer. AESEL also said they declined the limit increase because of Mr S's available credit to income ratio. And they said that their internal processes were followed in respect of Mr S's request for a manager to call him.

Mr S wasn't happy and wrote to AESEL explaining the reason why he'd asked for the limit increase and setting out why their decision wasn't reasonable. He also pointed out that he was still waiting to speak to someone in authority on the phone.

Mr S referred his complaint to us. Our investigator didn't uphold it. She felt that AESEL was entitled to refuse a credit limit increase request in line with their lending criteria and that they didn't act unfairly by doing so in this case. Mr S didn't agree and pointed out that AESEL still hadn't replied to his last letter to them. He said he'd not been given a reason for their decision not to increase the credit limit and reiterated that his credit record was exemplary.

As the matter remains unresolved, Mr S's complaint has been passed to me for a 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.

I have no reason to doubt what Mr S has said about his credit record and I can obviously understand his frustration about AESEL's decision. However, AESEL is entitled to reject a credit limit increase if they wish, and we wouldn't say their decision was flawed if it wasn't inherently unfair. I've seen no compelling evidence that AESEL acted unfairly, however. I realise Mr S will feel differently about that however lenders aren't obliged to increase limits upon request.

Mr S has explained to AESEL in detail why their decision was flawed. It's up to AESEL though to decide whether they wish to reconsider this based on that information. And while I appreciate Mr S feels he hasn't been given an answer about why the increase was declined, AESEL's final response letter to him did provide an answer, in that the decision was based on Mr S's available income to debt ratio. In other words, the amount of existing debt Mr S had compared to his income. Again, I don't doubt that Mr S feels that isn't a good reason and that his specific circumstances were such that the decision wasn't correct. But as I've mentioned, it's ultimately up to AESEL whether they wish to increase the limit.

Mr S remains unhappy that AESEL hasn't called him to discuss this and that they didn't reply to his letter following their final response to him. The purpose of the final response though was to provide AESEL's final answer to the complaint. So, I don't find that AESEL acted unfairly thereafter as the next step was to refer the matter to us which is what Mr S did.

My final decision

For the reasons set out above, I don't 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 13 October 2023.

Daniel Picken
Ombudsman