

## **The complaint**

Mr F is unhappy with several aspects of the service he's received from American Express Services Europe Limited ("AmEx")

## **What happened**

Mr F had an AmEx account with a £67,000 credit limit. But while his balance was much lower than that limit, AmEx suspended and then defaulted his account. Mr F wasn't happy about this, or with the impact the default had on his credit file, so he raised a complaint.

AmEx responded to Mr F and explained that the credit limit of his account had never been £67,000 but had always been £6,600. And AmEx also explained that they didn't feel they'd done anything wrong in how they'd administered Mr F's credit account, including in how they'd defaulted the account. Mr F wasn't satisfied with AmEx's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel AmEx had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr F remained dissatisfied, so the matter was escalated 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.

Mr F has explained that he believes his AmEx account had a £67,000 credit limit is because of digits within the long card number that is printed on the card. But Mr F's belief that the long card number includes information about the credit limit of an account is mistaken.

AmEx have demonstrated to my satisfaction that the credit limit of Mr F's account was always £6,600 and was never changed. This is demonstrated by the account statements for Mr F's account, all of which confirm the credit limit of the account as being £6,600.

In October 2022, AmEx wrote to Mr F and explained they were conducting a review of his account and required evidence of Mr F's income. AmEx didn't receive this requested income verification information from Mr F to their satisfaction, and this led them to develop concerns about Mr F's ability to afford the credit account and to repay the balance he owed to them.

AmEx's concerns were compounded when Mr F then failed to make any payments towards the account for several months. This led to the balance of Mr F's account exceeding the £6,600 credit limit and, along with the lack of Mr F making at least the monthly minimum payment, was in breach of the terms of the credit account.

AmEx therefore made the commercial decision to suspend Mr F's credit account. And AmEx's decision here seems reasonable to me, given the lack of payment towards the account and that the balance of the account was in excess of the agreed credit limit, and given that Mr F hadn't provided the information AmEx had requested to AmEx's satisfaction.

It's also evident that Mr F was aware of the status of his account, and I note several phone calls in late 2022 where Mr F discusses the suspension of his account with Amex.

Ultimately, Mr F didn't make the payments towards his AmEx account that he was contractually obliged to, and he didn't maintain the balance of his account within the agreed credit limit. And AmEx communicated these facts to Mr F on several occasions and thus gave Mr F what I'm satisfied was a fair opportunity to rectify the position of his account before they took any action.

Accordingly, I'm satisfied that AmEx didn't act unfairly or unreasonably when, with Mr F having not taken action to clear the accrued arrears and rectify the position of his account, they took the further commercial decision to default Mr F's account.

I'm aware that Mr F is unhappy with the impact of the default on his credit file. But as per the above, I don't feel AmEx did anything wrong or acted unfairly by defaulting Mr F's account. And AmEx have an obligation to make accurate reports about the status of an account to the credit reference agencies – including when an account is defaulted.

Finally, Mr F has asked this service to delay reaching a decision on this complaint until he's received a response from AmEx to a subject access request that he's made to them. But Mr F hasn't explained what information he's expecting to receive that would reasonably impact my decision here. And I'm satisfied that I have already have the information needed for me to reach a fair and reasonable final decision on this complaint at this time, and so I see no reason to delay reaching such a decision at this time.

All of which means that my final decision here is that I do not uphold this complaint. I realise this won't be the outcome Mr F was wanting, but I trust that he'll understand, given what I've explained, why I've made the final decision that I have.

### **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 F to accept or reject my decision before 11 December 2023.

Paul Cooper  
**Ombudsman**