

The complaint

Mr T complains American Express Services Europe Limited (AESEL) failed to provide proper notice and information regarding the renewal fee on his credit card. Mr T was also given incorrect information in an online chat.

What happened

The information I have shows Mr T took out a credit card with an annual fee of £575 in January 2022. The fee was first charged on 7 February 2022 – and again on the same date in 2023.

On 7 February 2024 Mr T contacted AmEx's live chat and explained he didn't want to renew his credit card. He was told the next renewal of the credit card was 11 January 2025. When querying if he'd been charged the £575 fee again, he was told he had been. AmEx's agent said the card is renewed automatically every year, and they'd told him this on his statement.

Mr T said he doesn't get sent statements, so doesn't look at them. AmEx's agent explains Mr T opted for paperless statements, and they email him once a month regarding them. Mr T was unhappy with this, and the matter was escalated in the live chat – with the second agent telling Mr T he hadn't yet been charged the annual fee.

Overall Mr T was unhappy, complaining AmEx don't provide adequate notice of the fee, no information about the charge itself – both of which are against their responsibilities considering Consumer Duty. Mr T was also unhappy with the incorrect information he had been given in the chat – as he hadn't been charged the fee but was told he had been.

AmEx noted Mr T's feedback about the fee potentially being prepopulated on his online account, and agreed he'd been given incorrect information in the online chat. AmEx added Mr T received a pro-rata refund for £42.53 as a result of cancelling his card. This was a partial refund of the February 2023 annual fee. AmEx requested a £50 cheque to be sent to Mr T to say sorry for the incorrect information in the live chat.

Unhappy with this, Mr T asked us to look into things – including how AmEx had handled his complaint to them. One of our Investigators considered things, and overall said AmEx's offer of £50 was fair.

Mr T didn't accept this, saying he felt AmEx should have taken more steps to highlight the fee. Mr T didn't think AmEx had followed the Consumer Duty rules. As he didn't accept our Investigators outcome, the complaint was passed to me to decide.

Before deciding these elements of Mr T's complaint, I issued a decision setting out that our service didn't have power to consider his concerns regarding AmEx's complaint handling. So, having already decided this, I won't be commenting on it further in this 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 T contacted AmEx's live chat to discuss his options. In this chat he was told he'd already been charged the annual fee. He then expressed concerns regarding this and asked to raise a complaint. When doing so, the live chat was escalated to a second person. This all happened on the same day, within a short period of time.

This second person then told Mr T he actually hadn't been charged the annual fee – the previous adviser had got things wrong.

For this, AmEx sent Mr T a cheque for £50. For this specific issue, this seems fair, but I'll address Mr T's remaining points before coming back to my overall outcome.

Mr T's further concerns relate to the way AmEx notifies customers of the impending fee. He says telling people on their statements isn't good enough – and even when people look at their statements, the amount of the annual fee isn't mentioned. Mr T says these points aren't in line with Consumer Duty.

The FCA's Consumer Duty rules came into effect from 31 July 2023. These were introduced as a means of setting higher standards of consumer protection across financial services, requiring firms to put their customers' needs first.

Mr T has said that notifying people of when the fee is due within their statements isn't good enough and AmEx should do more here, but I don't agree it didn't do enough in his individual case. AmEx have set out how this appears on his statement and I'm satisfied it clearly sets out that the fee will be charged on the next statement and the date this will take place. While Mr T has consistently said he didn't check his statements so he wouldn't have been aware of this, I can't hold AmEx responsible for this. I'm satisfied they gave him the information he needed about the date the fee would be charged, he simply did not read it. I also don't need to make a wider finding on whether AmEx's practice satisfied the wider Consumer Duty rules as I'm considering Mr T's complaint only.

And while I appreciate Mr T doesn't agree AmEx are handling things fairly here, I can't see based on what he's said this has had any impact on him - as by the time he was aware of the fee, it'd already been confirmed to him he wouldn't be charged it, so Mr T has not suffered a loss here.

With that in mind then, it seems the only error that's occurred in this complaint, is the live chat giving him the wrong information about the annual fee already being charged. I can see from the live chat Mr T wasn't happy about this – and I don't doubt it came as a surprise given he didn't know it was being charged. But, I also can't ignore that he was told, very shortly afterwards, the fee hadn't been applied which was the correct information.

In all the circumstances of this case, I'm satisfied £50 is a fair and reasonable way of resolving matters.

My final decision

American Express Services Europe Limited (AESEL) have already made an offer of £50 to settle this complaint and I think that offer is fair in all the circumstances.

So, my decision is that American Express Services Europe Limited (AESEL) should pay Mr T £50. If Mr T cashed the cheque they sent him, then they don't need to do anything more. If he hasn't, then they should cancel that cheque and issue him a new one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 January 2025.

Jon Pearce
Ombudsman