

The complaint

Ms V complains about how American Express Services Europe Limited (AESEL) has dealt with her account.

What happened

Ms V says in September 2022 she wished to transfer her AESEL account balance to a different credit card provider. She says she paid £158.04 towards the balance and made a balance transfer of £700 which ought to have left the account balance as zero. Ms V says AESEL then told her she owed it a further £300 but that amount didn't show on her banking application (app) when she made what she thought was the full payment. She says since then AESEL has added interest and charges to the balance as well as recording adverse information on her credit file. She also says it has passed her debt to a collection business. Ms V would like compensation for what took place and for her credit file to be amended.

AESEL says Ms V paid her August account statement but made further purchases at the end of August and early September 2022 which amounted to £313.19. It says it correctly added interest and applied charges in line with account terms and conditions when Ms V didn't pay the balance or make a required payment. And correctly reported the account position to the Credit Reference Agencies (CRA's).

Ms V brought her complaint to us, and our investigator didn't uphold the complaint. The investigator thought there was a balance outstanding which Ms V owed. The investigator thought AESEL had acted in line with account terms and conditions and wasn't obliged to put the payments required on hold until the problem was investigated.

Ms V doesn't accept that view and maintains the problem with the app led to the problem and that AESEL has harassed her.

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.

Having done so I have come to the overall view that I don't uphold this complaint.

I have looked carefully at Ms V's account terms and conditions which I think she would have agreed to when the account was first opened. Those terms and conditions make clear that Ms V is required to make a monthly repayment and if not made, interest and charges would be applied. I have looked at AESEL's records and can see that Ms V didn't make required payments towards the balance of just over £300. So, it follows that I'm satisfied that AESEL didn't make a mistake or act unfairly and was entitled to charge interest and fees as well as write to Ms V about the balance.

I can see that Ms V owed AESEL £858.04 on her August statement. I can also see that she repaid that amount by a balance transfer and a payment of £158.04 but I don't think it clear why Ms V thought that cleared the total balance she owed AESEL. I say that as Ms V ought

reasonably to have known that she used her AESEL account card for a number of purchases at the end of August 2022 and into early September 2022 which totalled £313.19. I appreciate Ms V says they didn't show on the banking app, but I'm satisfied they were shown on the September 2022 account statement and have made clear Ms V ought to have known she made those purchases.

I'm satisfied that Ms V owed AESEL the money and it is reasonably entitled to ask Ms V to repay that amount in line with the terms and conditions. If Ms V disputed that she made the payments, then she ought to have told AESEL that and can see that she has details of all of those purchases. It follows that I'm satisfied that AESEL has correctly applied Ms V's new spending to her September account statement and that she owes that balance.

AESEL is obliged as part of its regulatory duties to provide accurate information to the CRA's. I have made clear that I find Ms V owed AESEL the money and she made the decision not to pay money she owed. So, I'm satisfied AESEL had no choice but to report the account position to the CRA's and is entitled to make a decision to ask a third-party business to enforce or collect the debt. I'm also satisfied that AESEL is obliged to provide Ms V with letters about the debt and is entitled to ask her to repay it. I don't think that amounts to harassment.

Overall, I find that AESEL hasn't made a mistake or acted unfairly in asking Ms V to repay a debt she incurred. I'm satisfied AESEL hasn't made a mistake in calculating the balance owed by Ms V and that she ought to have known she used her account card after the August 2022 statement was issued and paid. It follows that as Ms V chose not to repay the balance that I can't fairly direct AESEL to remove any adverse information recorded on her credit file or pay her compensation as she would like.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 2 August 2023.

David Singh
Ombudsman