

The complaint

Mr C complains that American Express Services Europe Limited (AESEL) unfairly registered a default on his credit file. He would like it removed.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- From the information I have I can see Mr C spoke to AESEL about problems making payments to his account in October 2022. In this phone call Mr C was adamant he would make payments in November 2022, December 2022, and January 2023 by which time he was confident he would have paid off the full outstanding balance. However, it seems no payments were made during this time. This meant Mr C made no payments to his account from July 2022 to January 2023. We usually expect defaults to be registered when there are between three to six months of missed payments. Given Mr C hadn't made any payments for several months I don't think it was unreasonable of AESEL to apply a default to his credit file.
- Mr C says he was assured in the phone call I have referred to above that if he was unable to clear the balance within six years a default would be applied to his account. Having listened to the call this is what he was told, although this was initially in the context of being in, and keeping to, a repayment plan which Mr C didn't do.
- AESEL has made the point its adviser didn't say Mr C didn't need to make any payments for six years or that he had six years to make a payment. However, I do think the information AESEL gave Mr C in that phone call was confusing..
- However, I must balance the information on the phone call with the letters AESEL sent which comprised a default notice in October 2022, a final demand on 4 November 2022 and a letter on 10 November 2022 advising Mr C would be contacted by the company dealing with the outstanding balance looking to discuss repayment options. All these letters made clear the implications of not making payments to the account including the registering of a default. I understand Mr C didn't get the letter of 10 November 2022 I don't know why that was if he got the other letters. But it was made clear to Mr C several times in the phone call that he would get a letter from the company managing his outstanding balance so if he didn't get it he could have contacted AESEL about this, but I can't see that he did.
- Whilst I appreciate the information on the phone call Mr C had with AESEL was

confusing I think there was sufficient other information for him to know that not making payments to his account could lead to his account being defaulted.

- It's important that credit files accurately reflect account history, so as Mr C didn't make payments for several months I think the default was fair and I can't reasonably ask AESEL to remove it as Mr C 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 Mr C to accept or reject my decision before 25 October 2023.

Bridget Makins
Ombudsman