

## **The complaint**

Miss U complains that American Express Services Europe Limited (AESEL) passed her debt to a third-party without her authority, amongst other things.

## **What happened**

Miss U had a credit card account with AESEL. She had issues meeting her repayments during COVID and a payment holiday was agreed as a result of this. Unfortunately, Miss U continued to have issues meeting her repayments following the end of the payment holiday so the debt was passed on to a third party, that I'll call 'N', in October 2020.

From February 2022 onwards, Miss U stopped making the payments that had been agreed with N, so her account was passed back to AESEL. Miss U received an e-mail on 9 June 2022 from AESEL informing her that there had been interest incorrectly charged to her account, so they were amending this. Miss U also states she received an offer from N for a reduction in the outstanding balance, however this was confusing for her as she had already received a balance reduction. She says she called N in August who said the account was no longer with them and she called AESEL on the same day who could not locate the account either. Overall, Miss U was unhappy with the mistakes she felt AESEL had made in managing her account.

In addition, AESEL then passed Miss U's account to a new third-party who I'll call 'F' in December 2022. She is unhappy that this was done without her permission and she feels this had breached her confidentiality. And she has concerns that F could be a scam company. Finally, AESEL has quoted her outstanding balance as just over £3,000, however Miss U has said that due to the reduction agreed to with N, this should be closer to £1,000. Miss U requested a full write-off of the remaining balance due to the errors AESEL had made with the management of her existing debt.

Miss U referred the complaint to our service and our Investigator looked into it. They explained that they did not feel AMEX had made an error in the circumstances. They explained that as Miss U had not maintained her agreed repayments, the account had been passed back to AESEL each time, who had then passed it on to N and then, later on, F. They explained that they could only consider AESEL's actions and not those of N or F, and on balance they did not agree they had acted unreasonably.

As Miss U disagreed and an informal agreement could not be reached, the complaint has been passed to me 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.

Having done so, I don't think that AESEL has acted unreasonably in the circumstances and I don't agree that it should write off the remaining balance or take any further action to remedy Miss U's complaint. I'll explain why in more detail.

I'm aware that there was an error connected to the second COVID payment holiday agreement which Miss U received compensation for. This has not formed a central part of this later complaint other than to highlight the fact that AESEL made errors previously. Because of this, I have considered this in general as background to the complaint, but I won't specifically be commenting on it.

I've firstly considered Miss U's comments that AESEL passed her account on to third parties without her authority.

Miss U maintained her agreed repayment plan with N until February 2022 and from that point onwards she ceased repayments. I therefore don't think it was unreasonable that the agreement with N ended and the account was passed back to AESEL. When Miss N continued not to make her repayments, AESEL decided to pass the account back to N again and provided her with notification of this via letter in July 2022. However, when Miss U continued not to make the agreed repayments the account was again sent back to N who then passed it to F in December 2022. Notification was again sent to Miss U of this by letter.

I have not been provided with the specific terms and conditions for Miss U's account, but it is not unusual for there to be a provision that states a bank can transfer right and duties, including the account, to another provider. On balance, I don't think it is unreasonable that AESEL passed on Miss U's account to third parties when she did not meet her contractual payments or maintain her agreed payment plan and I can see that she was provided with notification of this each time.

Miss U has said that F could have been a scam company – however I have seen no indication of this. As mentioned previously, AESEL sent Miss U a letter in December 2022 informing her that the account was being passed to F, which I think was enough of an indication that they were a trusted affiliate of AESEL.

Miss U has said that she was given conflicting information about where her account was, specifically in August 2022 when she called both N and AESEL on the same day. AESEL have said that they searched their call logs and could find no evidence of the calls in question. Where there is conflicting information, I have to consider everything available to me to reach a fair outcome.

I can see that Miss U was notified each time that her account was moved to a third party, so I don't think that AESEL made an error or failed to clearly communicate to Miss U where her account was. It is possible that N did not notify Miss U when her account was being passed back to AESEL however I cannot hold AESEL responsible for that. On balance, I haven't seen enough for me to agree that AESEL did not clearly set out where Miss U's account was.

Miss U has mentioned the fact that AESEL wrote to her in June 2022 to let her know they were adjusting her account as they had charged her interest incorrectly. I appreciate that Miss U feels this is an indication of the mismanagement of her account in general. And I can understand that this will have been frustrating for her. But I also have to consider that AESEL spotted this error quickly and amended the account before Miss U had noticed there was an issue, and it notified her of this clearly. So, I think they dealt with the issue fairly and I would not recommend any compensation in connection to this.

Miss U has also stated that the outstanding balance that AESEL has quoted is incorrect, as she agreed a reduction of the outstanding balance with N. However, the agreement that Miss U made in relation to the balance reduction was with N and not AESEL. And when Miss U ceased her repayments with N, the agreement with N ended and the account was passed back to AESEL. Therefore, the balance reduction agreement that Miss U had with N

also ended.

The statements from AESEL show that the balance they quoted of just over £3,000 was correct. AESEL have also confirmed that as the agreement was with N and not themselves, there will be no balance reduction and I think this is reasonable.

Having carefully considered everything available to me, on balance, I don't think AESEL needs to take any further action in relation to Miss U's complaint and I don't direct it to write off the outstanding balance.

### **My final decision**

I do not uphold Miss U's complaint against American Express Services Europe Limited (AESEL).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 9 October 2023.

Rebecca Norris  
**Ombudsman**