

## **The complaint**

Mr S complains that a payment he made to his account with American Express Services Europe Limited (“Amex”) in January 2022 wasn’t posted to the account until April 2022.

## **What happened**

Mr S holds a credit card account with Amex. He made a payment to the account in January 2022, but it didn’t appear on the account. He contacted Amex but it couldn’t locate the payment. It applied a temporary credit to Mr S’s account while it investigated.

Mr S called Amex several times during March and April 2022 to find out what was happening with the lost payment. He says that the service he received from Amex was poor and caused a lot of upset. He says he had to keep chasing Amex and didn’t receive calls back. In April, Mr S raised a complaint. Shortly after this the payment was located and it was posted to his account on 28 April 2022.

Amex responded to the complaint in June 2022. It said it was upholding the complaint on the balance of probabilities and accepted that the service Mr S had received wasn’t of the expected standard. It confirmed that interest had been refunded to Mr S’s account and that no adverse information would be recorded on his credit file. It paid him £175 as a gesture of goodwill to apologise for the poor service and to recognise the amount of time he’d spent trying to resolve the issue.

Mr S didn’t think that was enough to reflect the distress he’d experienced and the trouble he’d been put to. He asked this service to look at the complaint. He said that Amex still hadn’t explained what happened to the payment and why it took so long for it to be traced. Amex said it wasn’t clear what happened to the payment. It said there are several systems involved in dealing with payments and sometimes it’s just not possible to understand exactly what happened or why. It said that was the case here, but its priority was to ensure there was no detriment to Mr S.

Amex said that only one statement period was affected by the lost payment, as all other payments were received as normal. It said this meant that any interest applied after January 2022 was payable by Mr S. But Amex has refunded all statement interest, more than £500 of which it said had been genuinely accrued and ought to have been payable by Mr S. Amex said this was a goodwill gesture, in addition to the £175. So, it said it had already provided enough redress for this complaint.

I issued a provisional decision on 15 December 2022 indicating my intention to uphold this complaint and award Mr S further compensation of £125. Mr S accepted my provisional findings and Amex confirmed it had nothing to add. I’m now making 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.

I haven't seen anything which changes my mind about the appropriate outcome here. So I'm going to uphold this complaint as indicated in my provisional decision. My reasons are below.

Amex says it upheld Mr S's complaint on the balance of probabilities. But it's not disputed that Mr S made the payment in January 2022 nor that the payment was lost until April 2022. And there's no suggestion of any error on Mr S's part. So, I think the starting point here is that Mr S needs to be put in the position he'd have been in if the payment hadn't been lost.

Under the terms and conditions of Mr S's account, Amex doesn't charge interest on purchases if he pays the full amount he owes on each statement date on time every month. Amex has provided Mr S's statements for the relevant period.

I've listened to the call Mr S made to Amex in February 2022. He checked how much he needed to pay to clear the balance. The advisor confirmed various credits and agreed with Mr S how much remained outstanding. He paid this by the due date and no interest was applied on the February statement.

The temporary credit for the lost payment was applied to Mr S's account on 28 February 2022 and is shown on the March statement. But it was reversed on 21 March 2022, so the lost payment amount is included in the closing balance of the March statement. Mr S made a payment by the April due date for the March statement amount less the lost payment. So, I'm satisfied that the interest which was applied on the April statement relates to the lost payment.

The lost payment wasn't credited to Mr S's account until 28 April 2022 and is shown on the May statement. He had paid enough into the account by the May due date to clear the April statement balance less the lost payment amount and associated interest. This pattern continues throughout the period covered by the statements which have been provided to me. I'm satisfied that the interest charged on these statements arises from the lost payment.

I don't think Mr S should be out of pocket as a result of the payment being lost. So I think it's fair that Amex has refunded the interest in full. It's what I'd ask it to do as part of the redress for this complaint. I'd also expect Amex to make sure it hasn't recorded any adverse information on Mr S's credit file as a result of this issue. It says it hasn't, so I don't need to ask it to do anything about that.

I think Amex has put Mr S's account back in the position it would have been in but for the payment going missing. As a result, I don't find that Mr S has suffered financial detriment. But he has suffered distress and inconvenience, which needs to be addressed separately.

Amex has already credited his account with £175, which it says was a gesture of goodwill as an apology for the poor service he received. I don't think this is enough to reflect the impact this situation had on Mr S. His payment went missing for three months. Although Amex applied a temporary credit, this was removed after around one month, causing Mr S to worry about interest accruing on his account and any credit file impact. He contacted Amex several times for updates and wasn't able to get an answer about what was happening and wasn't called back. Although the payment was located in the end, Mr S still doesn't know what happened to it as Amex hasn't been able to provide an explanation.

He has explained the distress and inconvenience this all caused. And this has been prolonged as Amex raised a new issue in response to our Investigator's view, essentially saying that the interest refunded after January 2022 didn't relate to the lost payment and therefore Mr S has benefited from the refunds. As explained above, I think the interest did

relate to the lost payment and I think it's right that Amex refunded it to put Mr S's account back in the position he'd have been in if the payment had credited his account in January.

In all the circumstances, I think a further payment of £125 is warranted here to compensate Mr S for the distress and inconvenience he experienced.

### **My final decision**

For the reasons above, I uphold this complaint. American Express Services Europe Limited should pay a further £125 to Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 February 2023.

Katy Kidd  
**Ombudsman**