

The complaint

Miss V complains that American Express Payment Services Limited (AESEL) lost three payments that she made to it.

What happened

Miss V says she made three required payments to AESEL in early 2022 for £80 and for £200 on two occasions. She says AESEL couldn't find the payments and so she provided evidence from her bank. Miss V says AESEL continued to ask for the payments and has recorded adverse information on her credit file. She would like all of that information removed and would like appropriate compensation for what took place.

AESEL says it asked Miss V for evidence of the payments as she used an incorrect account number. It says it initially credited Miss V's account but didn't receive the information. AESEL now accepts that Miss V sent the information to an e-mail address that isn't monitored. It accepts that payments were made but says Miss V has refused to make further required payments on her balance of over £4,000.

Miss V brought her complaint to us, and our investigator upheld it in part. The investigator thought Miss V had made the payments in early 2022 and that AESEL should remove the late markers relating to those payments. The investigator also thought AESEL should pay £100 compensation.

AESEL has agreed with that view but says the account has now defaulted with a balance of nearly £5,000 and any interest charged at the time would have negligible. It says it will waive late payment fees from the time.

Miss V doesn't accept that view and in summary says the compensation isn't enough and says she didn't make a mistake with the three payments.

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 same overall view as the investigator and for the same reasons. I appreciate Miss V will be disappointed by my decision.

I have looked carefully at AESEL's records, and the information Miss V has provided about the payments in early 2022. I think on balance that Miss V didn't use the correct details which led to the problems. I accept that Miss V did send AESEL evidence of the payments but to an e-mail address that wasn't monitored. I can't fairly hold Miss V responsible for that part of the complaint as it's clear AESEL didn't tell her that it wasn't monitored. But I also think the initial problem could have been avoided if the correct details were used, which do not appear to have been used here.

AESEL has located the payments and will credit them to Miss V's account. I appreciate Miss

V's frustration here but am satisfied that her account had a significant balance that she owed AESEL in any event. I don't think whatever took place justified a failure to make required payments to AESEL and I would have expected Miss V to have made those required payments. It follows that I don't think AESEL has made a mistake in these circumstances by registering a default on Miss V's credit file for a balance of nearly £5,000. I think it clear the relationship between the parties has broken down.

I have no doubt Miss V was caused distress and inconvenience as a result of what took place. I have made clear that both sides could have dealt more appropriately with what took place. I'm satisfied that £100 compensation is fair and reasonable and fairly reflects what took place as well as the impact on Miss V. I don't think the delay in locating the money justifies more compensation in these circumstances.

I appreciate Miss V would like all adverse information removed from her credit file, but I have made clear that Miss V still owed AESEL a significant balance of over £4,000 regardless of the missing payments which amounted to less than £500. That balance is still owed, and no doubt Miss V will consider speaking to AESEL about repayment.

Putting things right

AESEL should pay Miss V £100 compensation and remove the late payment markers from Miss V's credit file connected to the three missing payments. It should rework Miss V's account as a result and reduce the interest owed however negligible that is. AESEL should also refund the late payment fees linked to the missing payments as it's agreed to do.

My final decision

My final decision is that I uphold this complaint in part and order American Express Payment Services Limited to pay Miss V £100 compensation and rework her account as set out. I also order it to remove any adverse information from Miss V's credit file linked to the three missing payments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 13 June 2023.

David Singh
Ombudsman