

The complaint

Ms P complains about how American Express Services Europe Limited (AESEL) dealt with following financial problems.

What happened

Ms P says AESEL hasn't dealt appropriately or sympathetically her when she told it about her financial difficulties. She says she was out of the United Kingdom (UK) with no income whilst dealing with a divorce. Ms P says she told AESEL in August 2022 about those issues, but it didn't provide breathing space or help her. She says she later found out a default had been registered and letters were sent to her UK address. Ms P would like an investigation into what took place and appropriate compensation.

AESEL says it offered Ms P a debt management plan, but she didn't accept it. It says it could have offered breathing space in August 2022 but did so in September 2022. AESEL has paid £100 compensation for that. It says there were very little options it could offer Ms P when she made clear she had no income, and the plan would have avoided further charges.

Ms P brought her complaint to us, and our investigator didn't uphold it. The investigator thought Ms P would have agreed to AESEL's terms and conditions about missed payments and that it did try and help her by offering the debt plan. The investigator thought breathing space could have been offered in August 2022 but thought the compensation offer appropriate. The investigator didn't think Ms P had provided AESEL with an alternative address.

Ms P doesn't accept that view and in summary says AESEL didn't call her whilst abroad and didn't treat her fairly. She says £100 compensation is not a deterrent to AESEL.

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 make clear to Ms P that we are not AESEL's regulator and so it's not our role to punish it as Ms P suggests when she says the compensation offer is not a deterrent.

Any lender should treat a customer in financial difficulties positively and sympathetically. I can see that Ms P told AESEL about such financial difficulties in August 2022 and accept that as she was not living in the UK that made communication difficult.

I have looked carefully at what Ms P told AESEL and what it offered to do to assist her. I'm satisfied Ms P made clear that she couldn't make required monthly repayments and that her account balance was over £6,000. I'm also satisfied that AESEL fairly offered to put Ms P on a debt management plan which would have stopped interest and charges. I can see from online conversations that Ms P was reluctant to do so and made clear she didn't want to go on such a plan which was offered on a number of occasions.

So, I'm satisfied that AESEL did act positively and sympathetically to Ms P and her position. I'm satisfied that it tried to help Ms P by offering a plan which would have stopped interest as well as charges. And that it also fairly directed Ms P to a debt organisation that could have assisted her. I think it's clear that Ms P didn't want to go on such a plan, but I can't see what else AESEL could have done to assist Ms P. I also don't think Ms P has made clear what she thinks AESEL could have done practically to help her when she made clear she had no income or any likely short-term change in that position.

I appreciate that AESEL could have offered a breathing space in August 2022 before doing so in September 2022. I can see AESEL has apologised for that mistake and offered what I think is a fair and reasonable compensation amount of £100. I don't think that omission was significant or justifies further compensation and don't think it would have made any longer-term difference as it's clear Ms P was unable to make required repayments.

I also appreciate Ms P says AESEL has not considered her circumstances and wrote to her at her UK address. I have made clear that I'm satisfied AESEL did try and help Ms P and can't see any other option it could have given her. I also think AESEL was obliged to send Ms P regulatory letters about the default and those letters would have to be sent to Ms P's registered address. I can't see any evidence Ms P updated AESEL with a new address and think she ought to have realised that, as she hadn't made required payments or agreed a repayment plan, such letters were inevitable.

Overall, I'm satisfied AESEL tried to offer support to Ms P and can't see what else it could have done in circumstances where Ms P made clear she didn't want to agree to a debt plan. I appreciate Ms P would have liked AESEL to have called her whilst abroad, but I'm satisfied it's up to it to decide how it communicates with customers in these circumstances. And in any event, I have made clear it did offer Ms P support and options.

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 P to accept or reject my decision before 12 July 2023.

David Singh
Ombudsman