

The complaint

Ms A complains that American Express Services Europe Limited (AESEL) cancelled her credit card without giving her notice.

What happened

Ms A opened a credit card account with AESEL in 2016.

Ms A says that she's missed payments previously but always brought the account up to date.

On 17 November 2022 Ms A received a text from AESEL reminding her that her payment was due.

Ms A logged onto her online account but received an error message advising her that the service was temporarily unavailable. Ms A tried again later that day but was still unable to make a payment. Ms A made further attempts over the next two days but received the same error message.

Ms A contacted AESEL to make a payment by phone. She says the agent advised her that her account was overdue and that she had to pay the full balance.

Ms A complained to AESEL. AESEL didn't uphold the complaint. It said Ms A has failed to make the minimum payment for three consecutive months in September, October and November 2022. It said it had sent letters to Ms A informing her of this. AESEL said that because payment wasn't received and the account exceeded 90 days overdue for payment, the account was closed and transferred to collections.

Ms A remained unhappy and complained to this service. She said she hadn't received any notifications about her account.

Our investigator didn't uphold the complaint. They didn't think AESEL had acted unreasonably by cancelling the account.

Ms A didn't agree. She said she'd provide evidence to show that she hadn't been able to make a payment due to an issue with AESEL's online system.

Because Ms A didn't agree with the investigators view, I've been asked to review the complaint.

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've reviewed the account history. I can see that Ms A failed to make a payment to the account in September 2022, October 2022 and November 2022. AESEL sent a statement to Ms A on 28 September 2022 advising her that she'd failed to make the minimum payment. It

sent a statement to Ms A on 28 October 2022 advising her that her account was 60 days overdue. It sent a statement to Ms A on 28 November 2022 advising her that her account had been cancelled and transferred to collections. AESEL also sent texts and emails to Ms A about the late payments.

Ms A has said that she didn't receive any notifications from AESEL about her account. I've looked into this and I can see that the statements, emails and texts were sent to Ms A at the address which AESEL held for her on its system.

I don't know why Ms A didn't receive any of the notifications about her account. However, I'm satisfied that all statements and notifications were correctly addressed to Ms A when AESEL sent them. So I'm unable to say that AESEL made an error here.

I can see that Ms A telephoned AESEL on 30 November and advised the agent that she'd been unable to log into her account to make a payment. The agent advised Ms A that because payments were 90 days overdue her account had been cancelled.

The cancellation of the account might explain why Ms A was unable to log in and make payment when she tried to do this in November 2022.

I've taken into account all of the evidence provided by Ms A. She's provided a screenshot of AESEL's website showing a system error. I'm unable to see a date on the screenshot so I can't be certain of when Ms A experienced the system error. In her submission to this service, Ms A said she experienced an error when she tried to make a payment on 17 November 2022.

Even if there was a system error when Ms A tried to make a payment on 17 November 2022, this doesn't explain why no payments had been made to the account in September 2022 and October 2022. And even if Ms A experienced system errors in September and October 2022 as well, the statement clearly sets out the alternative ways in which payment can be made, so I think Ms A could've tried to pay using one of these alternative methods.

I appreciate that Ms A has been impacted by the closure of the account and wants it reinstated. However, having reviewed everything, I'm satisfied that AESEL sent statements and notifications to Ms A advising her that her account was in arrears. I think Ms A was aware – or ought to have been aware – that she was behind with her payments and that the account was at risk of closure because of this.

Based on everything I've seen, I'm unable to say that AESEL has made an error or treated Ms A unfairly. The terms and conditions of the account – which Ms A agreed to when she opened the account – say that AESEL can end the agreement immediately if a customer repeatedly fails to pay minimum payments on time. In this case, I'm satisfied that Ms A repeatedly failed to make payments on time and that the business has acted in line with the terms and conditions. I won't be asking AESEL to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 16 February 2024.

Emma Davy
Ombudsman