

The complaint

Mr V complains that American Express Services Europe Limited (trading as American Express) failed to credit his merchant account with Amex card transactions processed between October 2021 and October 2022.

What happened

American Express accepted that Mr V's merchant account had not been correctly credited. It told us that it couldn't be certain exactly what had caused the problem, but all the evidence it had pointed to an internal Amex error. It offered to pay Mr V:

- An amount of £13,366.28 in respect of the transactions it had identified that should have been paid to him between October 2021 and October 2022. (It said it would pay that amount without first deducting its transaction fees, which would otherwise have been 1.99% of the transaction total).
- Interest at 8% per year simple on the transactions, calculated from the date the money should have been paid to Mr V until the date the funds are returned to him.
- A goodwill gesture of £500 to reflect the distress and inconvenience the matter had caused.

One of our investigators said she thought that American Express's offer was fair. She acknowledged that Mr V had said he had incurred further costs, but she said he hadn't provided any details of those costs. Based on the evidence she had, she didn't think she could reasonably ask American Express to do more.

Mr V did not accept our investigator's conclusions. He told us that American Express's offer is insufficient, the offer of £500 is insulting, and that he intends to provide further information to explain why. However, despite reminders, he has not provided us with any new information.

I am satisfied that Mr V has had a fair opportunity to provide us with evidence. Our investigator asked him for details of the costs he had incurred on 29 September 2023, then sent various reminders over the next few months. On 20 May 2024 she told him that the complaint had been referred to me, and explained that I intended to issue my decision shortly after 28 May 2024 based on the evidence I had on file. In these circumstances, our rules allow me to proceed with my consideration of the merits of 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.

Having done so, I have reached the same conclusions as our investigator, for the same reasons. American Express failed to credit Mr V's merchant account with his transactions when it should have done, and so it is right that it should pay compensation.

Putting things right

I haven't seen anything to suggest that American Express has miscalculated the transaction total of £13,366.28, and so I see no reason to award an alternative amount. In addition, I think it is fair for American Express to pay interest at 8% simple on that amount, calculated from the date Mr V should have received each payment until the date American Express settles this complaint.

So far as non-financial loss is concerned, we publish information about our approach on our website (<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>).

In this case, I consider that the impact of a mistake like American Express's is likely to have caused Mr V to suffer considerable distress, upset and worry. I'm also mindful that he first complained in May 2023, but American Express did not make an offer to him until September 2023 – having initially rejected his complaint entirely. The delay will have caused further inconvenience.

I acknowledge that Mr V considers that compensation of £500 for distress and inconvenience is woefully inadequate. However, taking into account all the information available to me, and applying my own judgement, I consider that American Express's offer is fair.

My final decision

My final decision is that, if it has not already done so, American Express Services Europe Limited (trading as American Express) should pay compensation to Mr V as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 27 June 2024.

Laura Colman
Ombudsman