

The complaint

Mr D complains that his credit score has been impacted as a result of a late payment marker recorded by American Express Services Europe Limited ("AESEL").

What happened

Mr D holds a Vitality American Express Credit Card. In April 2023 Mr D was a victim of fraud. He contacted AESEL via live chat to report that his card had been stolen and that fraudulent transactions had been posted on his account.

Mr D's debit account was affected which meant that he wasn't able to make a payment to his AESEL account that month. AESEL told Mr D that if he could make payment by 17 May 2023, the missed payment notifications would stop. Mr D then made a payment of £2,617.25 on the same day. AESEL waived the late payment charges and fees but was unable to stop a late payment marker being reported to the credit reference agencies.

When Mr D discovered that his credit file had been impacted, he contacted AESEL. An agent advised Mr D to contact the credit reference agency directly and provide proof that he had been a victim of fraud so that any adverse information could be amended.

Mr D wasn't able to resolve things this way. AESEL acknowledged that it hadn't provided Mr D with the correct information. It told Mr D during a call on 22 June 2023 that the late payment marker would be removed but this didn't happen until 14 August 2023.

Mr D complained to AESEL about the delays in removing the late payment marker.

In its final response, AESEL said it should have made Mr D aware that if he provided an action fraud report or proof from his bank that his debit account had been blocked due to fraud, it could have requested for the late payment marker to be removed. It offered compensation of £50.

Mr D remained unhappy and brought his complaint to this service.

Following the referral of the complaint to this service, AESEL offered a further £100 compensation to resolve the complaint.

Our investigator thought the offer was fair to resolve the complaint. He said he was satisfied that the late payment marker had been removed and was no longer showing on Mr D's credit file.

Mr D didn't agree. He said it had taken 6 months to resolve the situation and that his credit file had been compromised through no fault of his own.

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'm sorry to hear that Mr D was a victim of fraud. I appreciate that this must've been a distressing experience for him.

The essence of Mr D's complaint is that AESEL registered a late payment marker with the credit reference agencies and that it's taken several months to resolve things and have the credit file amended. During this time, Mr D says he's been refused other credit because of the adverse information on his credit file.

I've looked at what happened to see whether AESEL made any errors, or whether it treated Mr D unfairly.

When Mr D notified AESEL that he'd been a victim of fraud, it froze his account and arranged for a replacement card to be sent to him.

Mr D's payment due date was 2 May 2023. I can see that Mr D contacted AESEL on 1 May 2023 to make a payment. Because his bank account was frozen, Mr D requested to make a payment using his partner's account. AESEL advised Mr D of the process for making a payment through a third party account but Mr D didn't have his partner's card details at the time. AESEL advised Mr D to wait until his replacement card arrived before making the payment. It assured Mr D that the late payment fees and interest charges would be waived.

On 8 May 2023 an automated email was sent to Mr D advising him that he'd missed a payment. Further emails and calls followed. AESEL has said that these were automated and couldn't be stopped, but during a call on 9 May 2023 it informed Mr D that if he paid the outstanding amount by 17 May 2023, the notifications would be paused. During the call, AESEL advised Mr D that the late payment would impact his credit file.

I can see that Mr D called AESEL again on 17 May 2023. He paid the balance on the account. AESEL waived any fees and charges relating to the missed payment. Mr D told AESEL he was unhappy that a late payment marker had been reported on his credit file. The agent advised Mr D to take this up with the credit reference agency.

Mr D made several further calls to AESEL because he was unable to have his credit file amended via the credit reference agency.

AESEL has acknowledged that it didn't give Mr D the correct information about how to have the late payment marker removed. And this meant that it took longer to resolve the late payment marker issue than it should have done.

In terms of what should have happened, AESEL should have made Mr D aware that if he provided an action fraud report, or proof from his bank that his debit account was blocked due to fraud, AESEL could've requested for the late payment marker to be removed.

Based on what I've seen, this information could've been provided to Mr D when he called AESEL on 9 May 2023. Depending on how quickly Mr D provided the information and how long it took AESEL to review it, the late payment marker could've been removed sooner than August 2023. I can't be certain how quickly the marker could've been removed. But I can conclude that the misinformation provided by AESEL caused unnecessary delay.

I've considered what impact the misinformation and the delay caused. Mr D has had to spend time chasing AESEL. He's told this service that he was refused credit from other providers. However, I haven't seen evidence of this, and I can't be certain that the refusal of credit was solely due to the late payment marker.

On balance and taking into account that the marker has been removed now, I think the compensation offered by AESEL is fair and reasonable to resolve the complaint.

Putting things right

To put things right, American Express Services Europe Limited must pay further compensation of £100 to Mr D, bringing the total compensation to £150.

My final decision

My final decision is that I uphold the complaint. American Express Services Europe Limited must pay further compensation of £100 to Mr D, bringing the total compensation to £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 22 May 2024.

Emma Davy
Ombudsman