

The complaint

Mrs W complains that American Express Services Europe Limited (“AESEL”) recorded late payment markers on her credit file in 2020. Mrs W disputes that she missed any payments and says that the markers relate to an unauthorised monthly charge of £7.99 on her account which she says she reported when it first appeared on her monthly statement in June 2020. The monthly charges of £7.99 were subsequently credited by AESEL in September 2020.

What happened

Mrs W holds a credit card account with AESEL. In 2020 Mrs W noticed a charge of £7.99 on her monthly statement which she didn’t recognise. She says she raised this as a dispute with AESEL in June 2020 and after three months the issue was resolved, and the amounts were credited back to her account together with a refund of interest and charges.

Mrs W only discovered the existence of the late payment markers in February 2023 when she tried to obtain finance for eye surgery. She contacted AESEL and asked them to remove the markers for June, July and August 2020. Mrs W says that AESEL told her that all of the markers would be removed but she later discovered that the June marker hadn’t been removed. Mrs W raised a complaint.

In its final response dated 6 December 2023, AESEL said it had been unable to establish why the June 2020 marker hadn’t been removed. It apologised for the error and said it would arrange for the removal of the late payment marker for June 2020. It also sent a cheque for £50 compensation as a gesture of goodwill.

Mrs W was unable to cash the cheque as it was incorrectly addressed. Unhappy that AESEL had only removed two of the markers when it had told her that they would remove all of them, and unhappy with the way her complaint had been handled and with the amount of compensation, she brought her complaint to this service.

Our investigator didn’t uphold the complaint. He said that AESEL had reported the late payment markers fairly because Mrs W had missed payments on her account in June and August 2020 and had only disputed the transactions of £7.99 on 29 August 2020. The investigator said that due to a lack of final response or written record from when Mrs W first complained in February 2023, it was difficult to say exactly what AESEL had told Mrs W. The investigator acknowledged that Mrs W said that she was told that all markers would be removed, but said that on the balance of probabilities, and based on the notes at the time, it’s likely that Mrs W was advised that the late payment marker for June 2020 would remain on the account. The investigator said that notwithstanding this, AESEL had later agreed to remove the June 2020 marker as it couldn’t show exactly what was agreed in February 2023. The investigator said that the removal of the June marker, as well as the compensation of £50 was a fair and reasonable resolution to the complaint. The investigator said that the increased offer of £75 (which took account of the incorrectly addressed cheque for £50) was fair and reasonable.

Mrs W didn’t agree so 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.

Mrs W and AESEL disagree about whether there were missed payments in June, July and August 2020, and about whether the markers were correctly reported.

I appreciate that the investigator went into considerable detail about this aspect and reviewed Mrs W's credit card statements and reached conclusions about whether payments to the account had been made on time or not.

I'm not going to focus on this because I think it's ancillary to the main complaint, which in essence is that AESEL told Mrs W that it would remove the markers and failed to remove all of them, which led to her spending further time and effort pursuing her complaint.

Mrs W says she was told by AESEL in February 2023 that all the markers would be removed.

It's not in dispute that the June 2020 marker wasn't removed in February 2023.

In its final response, AESEL said it wasn't able to establish why the June marker hadn't been removed and agreed to remove it.

I've reviewed the available information from the time when Mrs W first contacted AESEL about the markers in February 2023. I don't think the notes assist because they simply record that there are late payment markers for June and August 2020 and that a dispute was raised for August 2020 but not June 2020. This doesn't assist with what AESEL did or didn't say to Mrs W in February 2023 about the removal of the markers.

Because the note doesn't assist, and because AESEL haven't provided any evidence to show that they advised Mrs W that the June marker would remain, and because AESEL subsequently couldn't establish why the June 2020 marker wasn't removed and agreed to remove it, I'm persuaded that it's more likely than not that Mrs W was told in February 2023 that all the markers would be removed.

Much of Mrs W's complaint is about the way her complaint was handled by AESEL. I'm unable to comment specifically on that, or award compensation in respect of it, because complaint handling isn't a regulated activity.

What I am able to look at is the distress and inconvenience caused to Mrs W by the failure to remove the June marker between February and December 2023. It's clear that Mrs W has had to spend a significant amount of time trying to resolve her complaint. I'm pleased to hear that the marker didn't prevent her from having her eye surgery.

I've also taken into account the incorrectly addressed cheque, AESEL has accepted that this was due to human error and have increased its offer of compensation by £25 to reflect this.

On balance, and having taken everything into consideration, I think the offer of £75 is a fair and reasonable offer to resolve the complaint. This sum is in line with what this service would award for similar levels of distress and inconvenience.

In addition to paying compensation of £75, AESEL should also liaise with TransUnion to provide the correct data so that the Q marker currently being reported by TransUnion for September 2020 can be removed. The Q marker doesn't warrant further compensation.

because there's no evidence that AESEL is at fault for the way that TransUnion are reporting, and the effect of a Q marker isn't negative in terms of Mrs W's ability to obtain credit.

My final decision

My final decision is that I don't uphold the complaint because I'm satisfied that AESEL's offer of £75 is fair and reasonable. AESEL should write to Mrs W formally offering this sum so that she can choose whether or not to accept it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 18 July 2024.

Emma Davy
Ombudsman