

The complaint

Ms A complains that American Express Services Europe Limited (“AESEL”) registered a default against her when she had a payment plan in place.

What happened

Ms A holds a credit card account with AESEL.

Ms A last made a payment on the account in May 2023. She contacted AESEL in June 2023 and explained that she was experiencing financial difficulties. During the call, Ms A agreed to go on a payment plan and make affordable repayments.

Ms A didn’t make any further payments to her account. On 18 July 2023 AESEL sent a Notice of Default to Ms A. A default was subsequently registered on 19 December 2023.

Miss A complained to AESEL. She said that during the call in June 2023 it had been agreed that she could have 3 – 6 months to get her finances back in order and that payments would be suspended during this time. Miss A said the default was in contravention of the agreement she’d reached with AESEL.

AESEL didn’t uphold the complaint. In its final response it said the default had been correctly registered.

Ms A remained unhappy and brought her complaint to this service.

Our investigator didn’t uphold the complaint. He said he’d seen no evidence that any payments had been made since May 2023 and he was satisfied that the default had been correctly recorded.

Ms A 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.

I’ve reviewed the statements of account. These show that Ms A last made a payment of £266.00 on the account on 14 May 2023. Since then, I haven’t seen evidence that any further payments have been made.

I’ve reviewed the terms and conditions of the account. These state that if payments aren’t made, additional charges can be added to the account and your credit file may be impacted.

Ms A has said that she spoke to AESEL in June 2023 and agreed a payment suspension. I’ve reviewed the call dated 22 June 2023. During the call, Ms A agreed to enter a payment plan called “Regain”. The call handler explained to Ms A that she would need to agree affordable payments with the third party who manage the plan. The call handler also explained to Ms A that her credit file would show the payment plan.

Although Ms A has said that it was agreed that payments would be suspended for 6 months, I haven't heard evidence to support this on the call. Nor have I seen any other evidence to suggest that there was an agreement that Ms A wouldn't need to make payments for a period of time.

I can see that AESEL subsequently sent a default letter to Ms A in July 2023. I haven't seen any evidence that Ms A made any payments in response to the default letter.

In the circumstances, I haven't seen anything to suggest that AESEL made an error when it defaulted the account and registered the default. All lenders are under an obligation to report accurate information to the credit reference agencies. The reporting of the default was a correct reflection of the state of the account.

For the reasons I've explained above, I'm unable to uphold this complaint. 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 7 January 2025.

Emma Davy
Ombudsman