

## **The complaint**

Mr W complains about the way in which American Express Services Europe Limited processed a payment after it had agreed to settle a claim under section 75 of the Consumer Credit Act 1974.

## **What happened**

Mr W had an Amex credit card account, which he closed in March 2024. In June 2024 Mr W made a claim under section 75 of the Consumer Credit Act. In July 2024 Amex agreed to settle the claim by paying Mr W £739.68. It sent him a short settlement agreement and said that, as Mr W no longer had an active account, it would pay him by cheque.

Mr W sought to change the draft settlement. He also said that he wanted payment to be made by electronic transfer, rather than by cheque. Amex would not accept Mr W's proposed changes to the draft agreement. It also said it could not make the payment by electronic transfer.

Mr W referred the matter to this service, where one of our investigators considered the position. Mr W explained that health issues made it very difficult for him to attend a bank branch to deposit a cheque. In any event, his bank is an online bank and so does not have branches. Its mobile app does not provide for cheques to be scanned and deposited electronically; deposits can only be made by transfer from another account with the same bank.

Our investigator liaised further with Amex and Mr W, and it was agreed that Amex would make payment through the Bankers' Automated Clearing System (or BACS).

Amex was initially unable to verify Mr W's bank account details, but confirmed at the end of December 2024 that payment would be made in 7-10 days. Shortly before that, our investigator had issued an assessment in which she had concluded that Amex had not treated Mr W unfairly.

Mr W remained unhappy. He thought that Amex should compensate him for the inconvenience he had been put to and the distress that Amex's actions had caused. The case was therefore passed to me for further consideration.

## **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.

Where a credit card provider resolves a claim in favour of the cardholder, it is usual for any payment to be made by crediting the card account. If that is not possible – as was the case here, because the account had been closed – it is not unusual for payment to be made by cheque. In many cases, that is the easiest and most secure method of payment. The cheque is sent to the customer's address, which the card issuer has already verified; and the customer's bank will only accept a cheque if its details match those of its customer.

I think Amex could have explained that rather better than it did. It gave the impression that it was impossible to make payment in any other way. It was not impossible, but alternative means of payment came with their own complications.

Mr W said he would not accept payment by cheque because of the impact paying it in would have on him. He said that Amex should make reasonable adjustments as required under the Equality Act 2010. I can understand his point here. But the position would still have been complicated by the fact the Mr W's bank does not have any branches and does not accept cheques – even electronically.

I do not believe it was unreasonable either for Amex to carry out checks before making the BACS transfer. In doing so, I don't believe it was suggesting that Mr W was acting inappropriately. Rather, it was ensuring that it was not making payment to anyone other than him. I do not believe in the circumstances that Amex could have reasonably completed its checks any quicker than it did.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr W's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 June 2025.

Mike Ingram  
**Ombudsman**