

The complaint

Mr W complains about the way American Express Services Europe Limited (AESEL) (Amex) administered his accounts and the information it's recorded on his credit file.

What happened

The background to Mr W's complaint and my initial conclusions were set out in a provisional decision. I said:

Mr W had three accounts with Amex. Mr W's explained that his late wife was a supplementary card holder and managed the accounts, including arranging for payments to be made each month, via Amex's online banking facility.

In July 2023 the late Mrs W used one her cards to purchase a cruise along with other payments. Mrs W also used two of the Amex accounts in Mr W's name for spending. Payments were made in August and September 2023.

Mr W's explained that Mrs W sadly passed away in October 2023. Mr W went on to contact Amex to explain the situation. There was some confusion concerning who's name the accounts were in. Mr W sent Amex a copy of the late Mrs W's death certificate and it incorrectly blocked his accounts on the mistaken basis they were in her name. Amex's contact notes show Mr W also wanted to make a payment to the accounts but wasn't able to answer security questions.

On 7 November 2023 a partial refund of £1,848 was applied to the credit card the late Mrs W used to purchase a cruise and held on account by Amex. At the same time, Amex was recording arrears on Mr W's credit file in relation to the other account that had an outstanding balance.

Mr W spoke with Amex on 17 November 2023 and confirmed the refund had been received. A Data Subject Access Request (DSAR) to obtain Mr W's information and a complaint were raised.

On 7 December 2023 Mr W spoke with Amex again and it recorded him as being vulnerable due to his health and recent bereavement. Amex's notes show it discussed the credit balance on Mr W's credit card with him and agreed to refund a membership fee applied to the credit card he wasn't using on the basis the account would be cancelled.

Amex issued a final response to Mr W on 8 December 2023 and confirmed the Green card had been opened in his name. Amex also confirmed the account was in arrears which is why missed payment information was being recorded on Mr W's credit file and collections attempts were being made. Amex then sent Mr W a Notice of Termination and Final Demand on 15 December 2023.

On 17 January 2024 Amex transferred the credit balance to Mr W's other account, reducing the outstanding balance to £764.72. The account was recorded as in default on Mr W's

credit file. On 6 February 2024 Amex wrote to Mr W to confirm that due to his circumstances it had taken the decision to stop pursuing him for the outstanding balance of £764.72.

Despite agreeing to write off the outstanding balance, Amex continued to send Mr W collections letters and then transferred the account to a third party firm of debt collectors who contacted him. Amex went on to issue another final response to Mr W in April 2024 that confirmed the account balance was no longer due and paid him £200 for the distress and inconvenience caused.

Mr W referred his complaint to this service and it was passed to an investigator. The investigator thought that by agreeing to waive the outstanding balance of £764.72 and pay Mr W £200 for the distress and inconvenience caused Amex had already agreed a fair settlement for his complaint.

Mr W asked to appeal and said he didn't agree that compensation of £200 fairly reflected the circumstances of his complaint. Mr W also said Amex's actions had led to a default being unfairly recorded on his credit file. Mr W added that Amex had incorrectly attempted to contact him using his late wife's details and incorrectly noted he was the deceased after receiving the Death Certificate. Mr W said he wanted Amex to provide a temporary credit card and said it had failed to resolve the credit file errors. Mr W added that he thinks Amex should pay an increased settlement in recognition of the distress and inconvenience caused. As Mr W asked to appeal, his complaint has been passed to me to make a decision.

What I've provisionally 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 aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under. I'd also like to add that I'm very sorry to hear about the circumstances under which Mr W has brought this complaint.

Mr W's explained that he had a long standing arrangement with his late wife whereby she administered his Amex accounts. I can see there was some confusion over whether the accounts were in Mr W's name or not with a DSAR being arranged to provide him with evidence. But I think it's fair to say both Mr W and Amex have added to the initial confusion over who the accounts belonged to. After Mr W's calls to Amex in October 2023 he forwarded bereavement forms and provided a copy of his late wife's Death Certification. Amex incorrectly processed that information by recording that it was Mr W who had passed away, not his late wife. I find it difficult to understand how that could've occurred given Mr W's wife's details were recorded on the Death Certificate. Mr W's confirmed this added to his confusion.

I accept that Mr W's Green card did fall into arrears. But I think it's fair to note that whilst Mr W was the account holder, the late Mrs W appears to have been the main user. Amex's monthly account statements show that almost all the spending came from her supplementary card. And Mr W's explained that the late Mrs W administered the account online, making monthly repayments in line with the statements Amex issued. So when the late Mrs W passed away, Mr W wasn't able to access his account online and has explained

he failed security questions when calling which severely impacted his ability to access the account.

I think it's fair to add that whilst Mr W's Green card had an outstanding balance of £2,769.89, Amex had received a refund of £1,848 for a cruise on 7 November 2023. After the Green card had already been terminated at default, Amex arranged to transfer the credit balance of £1,848 to it, reducing the outstanding balance to £764.72. But I see no reason why this wasn't considered by Amex before it took the decision to terminate Mr W's Green card and apply a default to his credit file.

I also think it's fair to add that Mr W repeatedly told Amex he was vulnerable. Mr W's explained he's disabled, had just undergone surgery, told Amex he was suffering with Long Covid and was recently bereaved. Amex was aware of these issues before it took the decision to close the Green card and apply a default to Mr W's credit file. I think it would've been fairer for Amex to apply some forbearance given Mr W's difficult circumstances. Amex could've transferred the credit balance to the Green card at an earlier point and given Mr W some time to review the information provided by DSAR so he could be satisfied the remaining balance was legitimately owed. I can see Mr W sent various letters to Amex during this period so it was aware of his concerns and why he wanted more information about the accounts. Amex was also aware Mr W didn't have online access to his account so wasn't able to review information without its assistance.

There were other errors by Amex. In February 2024 Amex agreed to waive the outstanding balance on the Green card of £764.72 and amend Mr W's credit file. But no amendments were made and Amex continued to chase Mr W for payment. Amex later transferred the balance to a debt collector who also pursued Mr W for payment. It took until April 2024 for Amex to agree to remove the default from Mr W's credit file.

With the above being said, I have to be fair to both parties. Whilst I understand that Mr W's late wife was administering the accounts on his behalf, he was ultimately the account holder and responsible for making the payments due. And Amex wasn't involved in the arrangement Mr W had with his late wife so wouldn't have been aware that she was largely the one in charge of the day to day use of the accounts. From Amex's perspective, the supplementary card holder passed away and payments stopped being made. I do understand why Mr W wanted more information, but I'm satisfied Amex had a legitimate reason to ask him for payment when the Green card became overdue. So whilst I agree Amex could've made things simpler for Mr W, I have to take into account that he was aware the Green card was in arrears from November 2023 and could've made a payment to avoid the account being closed with an outstanding balance.

I need to decide how to fairly resolve Mr W's complaint. In my view, both parties could've taken steps to address the issues raised sooner that could've avoided Mr W's Green card being closed at default. I can see that Amex ultimately agreed to write off the £764.72 due on the Green card and remove the default. But I'm not satisfied Amex made the impact to Mr W's credit file clear by referring to "shelving" the outstanding balance. The account shows as partially settled and has several missed payments, reaching six months in arrears, on Mr W's credit file. So whilst no default remains, I think Mr W makes a reasonable point when he says other lenders are likely to have concerns about information of that nature. Taking everything I've seen into account, I think the fairest way to resolve Mr W's complaint would be that if he clears the outstanding balance of £764.72 that Amex agreed to waive, it will be required to amend his credit file to remove the missed payment information and partial settlement details. The Green card could then be recorded as being closed and settled without any adverse information being recorded on Mr W's credit file.

I know Mr W wants Amex to issue another credit card. But all three of Mr W's existing accounts were closed and I simply don't have the necessary powers for direct Amex to provide a new credit or charge card to Mr W. So I'm unable to tell Amex to open a new account to resolve Mr W's complaint.

In my view, Amex could've treated Mr W with a greater level of forbearance after he told them about his late wife's death and vulnerabilities, especially as whilst the Green card did fall behind a substantial credit was held on his other card that could've been transferred much sooner, avoiding some of the arrears information recorded on his credit file. I've taken into account the fact that Amex incorrectly took the view that Mr W had passed away, not his late wife. And the fact it promised to waive the outstanding balance and remove the default from Mr W's credit file but continued to attempt to collect it and later instructed debt collectors has clearly caused further frustration. In my view, the £200 settlement Amex offered doesn't fairly reflect the overall level of distress and inconvenience caused. So I also intend to increase the settlement for the distress and inconvenience caused to Mr W by directing Amex to pay a total of £500. In my view, that more reasonably reflects the overall impact of the issues raised on Mr W and is a fairer way to resolve his complaint.

I asked both parties to respond with any additional comments or information they wanted me to take into account before reaching my final decision.

In brief, Mr W responded as reiterated his view that Amex had failed to take his vulnerabilities into account when dealing with him after his late wife passed away. Mr W also said Amex had failed to provide adequate assistance when he tried to access his accounts and repeated his view that it had unfairly recorded a default on his credit file. Mr W also said he didn't agree that the settlement of £500 fairly reflected the level of distress and inconvenience caused. Mr W added he wants Amex to immediately remove the adverse information recorded on his credit file, regardless of whether he repays the outstanding balance of £764.72, and that any compensation paid shouldn't be used to reduce that figure. Mr W advised he wanted to make sure Amex had arranged refunds for some disputed transactions shown on his credit card statements.

Amex responded and confirmed it was willing to proceed in line with the settlement reached in the provisional decision.

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'd like to thank Mr W for his response and detail provided. I've set out Mr W's response in brief, but I want to assure him I've read and considered everything he's said when responding to my provisional decision.

One of the points Mr W raised related to refunds he's expecting Amex to make. I asked Mr W for clarification as his complaint focused on the way his accounts were handled by Amex following his late wife's death. Mr W's pointed to a paragraph in a complaint letter to Amex from January 2024 that says he's concerned about payments made to a business I'll refer to as C from his credit card each month. Mr W's also explained he'd been told the other refunds he was expecting have been arranged.

I can see Mr W did refer to payments to C in his complaint letter in January 2024. I recently asked Amex to confirm whether this point formed part of its investigation and it's confirmed it did not. Whilst I can see Mr W did raise this issue, I think it's fair to note that it doesn't specifically relate to the way his accounts were handled by Amex in the later part of 2023

and early 2024 which was the main focus of his complaint. I need to be practical in terms of dealing with the complaint at hand. And I'm satisfied the most sensible approach now would be for Amex to investigate Mr W's payments to C as a separate issue. If Amex finds the payments C has charged Mr W weren't legitimately taken, it can arrange a refund. If Amex finds the payments have been correctly processed, it can provide the evidence to Mr W who will ultimately have recourse to refer the matter to this service if he remains unsatisfied. I realise that doesn't resolve the issue of payments made to C, but I'm satisfied that can be dealt with independently without delaying the decision on Mr W's complaint about the way his accounts were handled and information recorded on his credit file by Amex.

In response to the provisional decision, Mr W explained he didn't feel Amex had made reasonable accommodations due to his health and vulnerability. I recently asked Amex to confirm when Mr W first told it he was vulnerable. Amex has provided systems evidence that shows it was in November 2023, after his wife passed away, that Mr W first advised he was in poor health and vulnerable. But Amex says no specific adjustments were requested by Mr W and has supplied contact notes to support that claim. My provisional decision accepted Mr W's point that he was vulnerable and that Amex should've done more to assist in its dealings with him. I remain of the view Amex should've done more to help Mr W before terminating his Green card and that the settlement I reached in the provisional decision fairly reflects that.

I understand Mr W feels the settlement I've reached in the provisional decision isn't fair as it requires him to repay the outstanding balance before Amex removes the missed payments from his credit file and marks the account as settled. But the outstanding balance was built up due to spending on his Green card. So whilst I agree the way Amex administered Mr W's account was poor at times, I'm also satisfied the outstanding balance is legitimately owed due to spending on the card. Ultimately, if the balance isn't repaid I'm unable to agree it would be fair to tell Amex to amend Mr W's credit file to show that it was settled in full.

Mr W also requested compensation for the points he lost when his Amex cards were closed. But it's not possible to give a monetary value for the points Mr W accrued. And I'm satisfied that I've already reached a settlement that fairly reflects the circumstances of Mr W's complaint.

I have considered whether the settlement of £500 I reached is a fair reflection of the distress and inconvenience caused to Mr W. I understand Mr W feels a figure of £1,500 would be fairer but I haven't been persuaded to increase the award. As I've set out in some detail, I agree Amex should've done more to help Mr W before recording a default on his credit file. But I also remain of the view that Mr W, as the account holder, was responsible for ensuring all payments were made on time. I understand Mr W's late wife was use his Amex accounts more than he did and that she managed them. But that was an arrangement Mr W had with his late wife, not something Amex had any input over. And as the card holder, it was Mr W's overall responsibility to administer the account, ensure payments were made on time and repay spending. I'm sorry to disappoint Mr W but I haven't been persuaded to increase the settlement.

Mr W's asked that any settlement paid isn't used to reduce the balance of £764.72. If Mr W accepts, I leave it to him to decide whether he wants Amex to make the £500 settlement payment (less any compensation already paid) directly to him or use it to reduce the balance of £764.72. The £500 settlement payment isn't contingent on Mr W clearing the balance. But, as I noted in the provisional decision, if the remaining balance of £764.72 isn't repaid within four weeks of acceptance, Amex won't be required to amend Mr W's credit file to remove the arrears and note the Green card as settled.

I'm very sorry to disappoint Mr W but I haven't been persuaded to change the conclusions I

reached in my provisional decision. I remain of the view Mr W's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr W's complaint and direct American Express Services Europe Limited (AESEL) to settle as follows:

- Pay Mr W a total of £500 in recognition of the distress and inconvenience caused (less the £200 originally offered if it has already been paid)
- Remove the arrears information from Mr W's credit file if he repays the outstanding balance of £764.72 within four weeks of acceptance

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 April 2025.

Marco Manente
Ombudsman