

The complaint

Miss K complains that American Express Services Europe Limited (AESEL) charged interest on her account after a payment break had been agreed.

What happened

Miss K holds a Platinum Cashback Credit Card with AESEL.

On 5 July 2024 Miss K contacted AESEL to advise that she was experiencing financial difficulties and wasn't able to make the required payments to her account. AESEL agreed a payment break plan with interest and fees suspended until September 2024. AESEL explained to Miss K that the payment break plan would reflect on her credit file.

On 25 July 2024 Miss K checked her statement and noticed that the balance had increased since she agreed the payment break. She raised a complaint with AESEL. In her complaint, Miss K said she'd been advised when she called that her balance was £4,564.11 but when she received her statement the balance showing was £4,692.90. Miss K sought the removal of £127.89 from the balance on her account.

AESEL didn't uphold the complaint. It said that no interest or charges had been added to the account following the implementation of the payment break plan.

Miss K remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. He said that although AESEL had confirmed an incorrect balance to Miss K on the phone, no further interest or charges had been added to the account whilst the payment break plan was in place. The investigator said the account balance was correct and he wouldn't be asking AESEL to refund anything.

Miss K didn't agree. She said when she'd called to clarify her balance on 25 July 2024 the advisor had confirmed her understanding that the balance was £4,564.11 without checking this. Miss K also said she'd been advised to throw away letters from AESEL which contained accurate information about her balance, and that this had resulted in her making financial decisions based on incorrect information provided by AESEL.

Because Miss K didn't agree 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 know it will disappoint Miss K, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the history of the account. I can see from the account statements that the balance on the July 2024 statement was £4,692.90. The July statement also shows the closing balance for the previous months statement which was £4,692.90. This shows that there had been no transactions on the account since the June statement was produced. Based on what I've seen, I'm satisfied that AESEL hasn't added any interest or charges to the account following the start of the payment break plan.

Miss K has said that she was given incorrect information about her account balance when she called AESEL. I've listened to the call dated 5 July 2024. During the call Miss K spoke to several advisors. It was an advisor in the Financial Assistance Team who took income and expenditure details from Miss K and set up the payment break plan for her. Having listened to the entire call, I haven't found any evidence that Miss K was given details of her account balance. So, I'm not satisfied that Miss K was given incorrect information about her account balance on this call.

I've also listened to the call dated 25 July 2024. During the call, Miss K asked the advisor whether the balance when the payment break plan ended would be £4,564.11 and the advisor confirmed that it would be. Miss K was advised to ignore letters from AESEL which stated a different balance.

It's clear that the advisor made an error when they confirmed the balance of £4,564.11. The balance as of 5 July 2024 was £4,692.90. It was Miss K who gave the incorrect balance figure to the advisor and asked him to confirm it, but the advisor was at fault for not checking the figure before confirming it.

Based on what I've seen, although the advisor confirmed an incorrect figure, no interest or charges have been added to the account following the start of the payment break plan. There is therefore no basis for asking AESEL to refund Miss K any monies.

Miss K is understandably frustrated that she received confirmation that the balance was £4,564.11 when it was in fact slightly higher than this. She's said that she made financial decisions based on this incorrect information. This service asked Miss K for details of the financial decisions she'd made but Miss K hasn't responded. Therefore, I'm not in a position to comment further on this point.

For the reasons I've explained above, I'm unable to uphold the complaint.

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 Miss K to accept or reject my decision before 1 May 2025.

Emma Davy
Ombudsman