

The complaint

Mr K is unhappy with the service and account administration he's received from American Express Services Europe Limited ("AmEx") surrounding a payment he made to his account.

What happened

AmEx sent a letter to Mr K on 25 March 2024 because his account was in arrears. Mr K spoke with AmEx on 28 March and asked for information about how to make a manual payment to his account. On that call, AmEx's agent gave incorrect information to Mr K about what he could include as a reference for the payment. This meant that when Mr K made a payment to AmEx that same day, the payment didn't include any identifying information to enable AmEx to assign the payment to Mr K's account.

AmEx issued an account statement to Mr K on 15 April which showed that no payment had been credited to Mr K's account and that Mr K's account remained in arrears. The unallocated payment was then returned to Mr K's sending account on 22 April.

On 25 April, AmEx sent a default notice to Mr K which confirmed the arrears position of Mr K's account. Following this, Mr K didn't contact AmEx or make a payment to the account, which led AmEx to cancel the credit card on 16 May and assign the outstanding account debt to an external debt recovery agency.

In October, Mr K contacted AmEx and asked why the payment he'd made in March hadn't been assigned to his account. Mr K wasn't happy that the payment hadn't been allocated to his account or that his account had been cancelled. So, he raised a complaint.

AmEx responded to Mr K but didn't feel that they'd done anything wrong. Mr K wasn't satisfied with AmEx's response and felt that they were discriminating against him in regard to his dyslexia. So, he referred his complaint to this service.

One of our investigators looked at this complaint. They felt that the provision of incorrect information to Mr K had caused him to submit the payment without a valid reference number, which was why the payment hadn't been allocated to his account. Our investigator therefore upheld Mr K's complaint and said that AmEx should remove the adverse reporting for April 2024 from Mr K's credit file and pay £100 compensation to him. Mr K remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Having done so, I note that both Mr K and AmEx have provided several detailed submissions to this service regarding this complaint. I'd like to thank both parties for these submissions, and I hope they don't consider it a discourtesy that I won't be responding in similar detail here. I can confirm that I've read and considered all the submissions provided by all parties. But we are an informal dispute resolution service. So, I've focussed on what I

consider to be the key aspects of this complaint, , to reach a fair outcome.

Mr K has described his personal circumstances which he explains has made it difficult for him to monitor his AmEx account. I can appreciate why it would be difficult for him to monitor his account, but he did have a responsibility to do so by some method. This could have been done either via the statements and correspondence that AmEx were sending to him, contacting AmEx directly on a regular basis, or another method agreed with AmEx.

It isn't in dispute that Mr K was given incorrect information about what to input as a reference for the payment in March. It's also not disputed Mr K's payment couldn't be allocated to his account because of the incorrect information he was given. However, given that AmEx sent an account statement to Mr K in April that showed that no payment had been allocated to the account, and given that later that same month AmEx returned the money to Mr K's sending account and sent a default notice to Mr K because of the continuing arrears on his account, I would reasonably have expected Mr K to have been aware by the end of April that AmEx hadn't credited the payment he thought he had made to his account.

Had Mr K regularly monitored his account in a way that worked for him, I think he could have reasonably found out the payment hadn't been successful a lot sooner. This would have allowed him to clear all arrears that had accrued on his account so that he could resume making the contractually required ongoing monthly payments. But that didn't happen. Because of this, I don't accept Mr K's assertion that AmEx are entirely at fault for what happened after his account remained in arrears.

Finally, I note that Mr K has said that AmEx have discriminated against him and have failed to make reasonable adjustments for him as required to by the Equality Act 2010. This service is not a Court of Law, and so I don't have the remit of the authority to decide whether AmEx have acted unlawfully or not. What I can decide is whether I feel AmEx have treated Mr K fairly or unfairly in regard to this aspect of his complaint.

Upon consideration, I don't feel that AmEx have treated Mr K unfairly here. I say this because AmEx don't have any record of Mr K advising them that he required reasonable adjustments. And, while Mr K has provided a letter to this service which he feels demonstrates that he did inform AmEx, I'm not persuaded that the letter does provide proof as Mr K feels is the case. That's because it's addressed to a different business and doesn't explain when or how he told AmEx he may need additional support to manage his account.

I also feel that if Mr K had asked for reasonable adjustments, and hadn't received a response to that request, that it would be reasonable to have expected him to chase a response from AmEx. I've not seen anything suggest that happened. And if Mr K didn't receive a response to a request for reasonable adjustments, and didn't chase a response, that wouldn't impact his contractual payment obligations or AmEx's right to engage in collections and recoveries action if account arrears remained unaddressed.

Given the above, while I will be upholding this complaint in Mr K's favour, I'll only be doing so on a limited basis. AmEx should remove the adverse credit file reporting for April 2024 – because his payment would have gone through had he been given accurate information when he called. But I feel that Mr K could have prevented continuing arrears that remained present on the account from May onwards.

I'll also be instructing AmEx to pay compensation to Mr K. This is for the distress and inconvenience he incurred from being given incorrect information which AmEx is responsible for. In arriving at this compensation amount I've thought about the impact on Mr K, in the limited manner I've described. I've done this alongside the general framework this service uses when assessing compensation amounts, details of which are available on this service's

website. And, having done so, I feel that £100 is a fair compensation amount.

I realise this won't be the outcome Mr K was wanting. But I hope that he will understand, given what I've explained, why I've made the final decision that I have.

Putting things right

AmEx must remove the adverse credit file reporting for April 2024 from Mr K's credit file.

AmEx must also pay £100 to Mr K.

My final decision

My final decision is that I uphold this complaint against American Express Services Europe Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 January 2026.

Paul Cooper
Ombudsman