

## **complaint**

Mr B complains that American Express Services Europe Limited passed his debt to a third party despite agreeing not to do so.

## **background**

Mr B used his Amex card for several purchases in April 2014 and the due date for payment was 2 May. He did not make that payment because he had made a complaint to the business. He entered into correspondence about the account and raised a number of issues about advice he had been given concerning the interest free period available to him. In the meantime Amex pursued the debt owed by Mr B. It sent him a series of letters and finally it notified him that the debt would be passed to a debt collection agency. In due course it also closed his account. He says that Amex did not respond to all his calls/emails/letters, but most importantly that during a call at the end of July he was told by a senior manager that his debt would not be passed to a debt collection agency.

At the time of the call Amex had already passed the debt to the agency and had written to Mr B to notify him of this. Amex's records show that after the call it instructed the agency not to act for four weeks to allow Mr B to pay his debt. I understand that Mr B has since cleared his debt. I also note that Mr B appears to have been travelling extensively during this period, but it seems he has received most, if not all, of the communications sent by Amex.

In its final response letter, sent on 30 July, regarding the interest free period Amex recognised the some of the advice given to Mr B had been less than clear and credited his account with £100 for any inconvenience caused. It also said: *"As we discussed on the telephone, I have arranged for your account to remain with American Express for a period of four weeks. If, after this time, your account has not been paid in full, we will pass your account to a debt collection agency"*. Mr B complains that the business did not honour its agreement not to pass the debt to a third party and as a result his private data may have been compromised and his credit rating may have been negatively affected.

Mr B brought his complaint to this service and one of our adjudicators took the view that it should not be upheld. He considered that Amex had acted appropriately. It had taken reasonable steps to collect an outstanding debt and in doing so it had involved a debt collection agency. Once the verbal agreement had been made at the end of July it advised the agency to stop work for four weeks and he could see no evidence that it had contacted Mr B thereafter. Amex had not registered a default against Mr B but had placed late payment markers on his credit file, which reflected the delayed payment. There was no evidence to show that Mr B's data had been compromised or his credit rating affected by the agency.

Mr B did not agree. He did not dispute that he had not paid his bill, nor that Amex had the right to add late payment markers or involve the debt collection agency. However, he said that Amex had not honoured the agreement it had made with him during the phone call at the end of July that his debt would not be referred to a debt collection agency.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Although Mr B has made lengthy submissions about his complaint the key point is quite straightforward. He owed Amex money which he did not pay because he was complaining about how much interest free time he would have before payment was due. When he was faced with the debt being passed to a debt collection agency he called Amex and asked it not to take that step. Although precisely what was said during that conversation is not recorded Amex asked the debt collectors to hold off taking any further action for four weeks to allow Mr B time to pay.

I have seen nothing to indicate that Amex had informed Mr B that he need not pay his bill until his complaint had been settled. In fact, all the correspondence makes it plain that it expected payment. However, Mr B chose not to pay the money he knew he owed. When the matter escalated and a debt collection agency became involved Mr B spoke with an Amex manager. I recognise that there may have been some crossed wires in the preceding exchanges and Amex had failed to return a call that Mr B had requested. I also note that the Amex records show that Mr B hung up on one Amex caller. However, at the end of July Mr B and the manager spoke about his debt and his complaint.

Mr B says that he was told that no debt collection agency would be involved. It may be that he was told that, or it may be that he was told that no action would be taken for four weeks to allow him to pay. Amex was perfectly entitled to pass the debt to the agency and the response of the manager to give Mr B a further four weeks to pay was both fair and reasonable. In effect it stopped the agency from taking any action on the debt. The extract from the final letter shown above, while not a model of clarity, does not confirm that the agency had not been involved at the time it was written. The substance is that Mr B had four weeks to pay his bill or the matter will pass to the agency. That is what happened.

Mr B has not shown that his data has been passed on to anybody else by the agency or that his credit rating has been damaged by the involvement of the agency. As such, I am not persuaded he has suffered any damage whatsoever.

I would add that Amex accepted that it had had taken a month to respond to his request that information sent via email be sent to him in a letter and that response had been that it could not send the letter. It also accepted that it had not returned a call and for these errors it credited his account with £100. I consider that to have been a generous response. Finally, I note that Mr B has referred to the loss of his Amex points, but I do not consider that has any bearing on my decision.

I appreciate that Mr B will find my decision disappointing, but he chose as strategy of non-payment and so contributed to the situation.

### **my final decision**

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 21 May 2015.

Ivor Graham  
**ombudsman**