

complaint

Mrs S complains that American Express Services Europe Limited (AMEX) is unfairly pursuing her for a debt on a business card. Mrs S would like AMEX to prove that she is responsible for the debt. And would like AMEX to contact the other card holder to pursue the debt.

background

Mrs S says she took out a business card with AMEX some years ago and there was as supplementary card holder attached to the account.

Mrs S says the business relationship with her partner ended. But unfortunately there was an outstanding amount of £11,500 on the card which she says AMEX has been pursuing her for. She says she asked AMEX in February 2017 to prove she was liable for this debt. She wanted this information to help with a legal case against her ex business partner.

Mrs S says it took AMEX until October 2017 to give her a copy of her internet application for the account. And that she understood AMEX would be pursuing the outstanding debt in house. Not via an external debt collection agency.

Mrs S would like AMEX to prove she is liable for the debt. And for AMEX to pursue the supplementary card holder.

AMEX apologised that Mrs S had been led to believe it would handle the outstanding debt in house. In relation to this it made a payment of £30 to Mrs S.

But it said its terms and conditions allow it to demand payment of the debt on the card from Mrs S. So it hasn't made a mistake in doing this.

Our investigator upheld the complaint in part. He felt AMEX were entitled to pursue Mrs S for the debt. But felt the delay in sending Mrs S a copy of her online application had led to some frustration and delay. He recommended AMEX pay £150 compensation.

AMEX accepted this recommendation but Mrs S didn't.

She mad a number of points as detailed below. She felt:-

- AMEX hadn't made enough effort to get the money from the other card holder.
- The copy of the online form AMEX sent to her should've been redacted in part.
- That AMEX has acted unreasonably in not agreeing to a repayment plan.
- There had been no mention of fraudulent activity on her account in December 2016.
- That £150 wasn't sufficient compensation for the harassment by AMEX and debt collection agencies over eight months.
- Finally she didn't feel her concerns have been addressed fully. Or that the effect on her life had been taken into account.

Our investigator considered the points Mrs S made. He had already addressed most of her points but he did look into the point Mrs S made about fraudulent activity. He discussed this with AMEX who said its records didn't show any mention of fraud just of cards being reported lost. And confirmed that after this it only issued a main card not a supplementary one. Our investigator didn't feel this was any reason to change his view.

Mrs S didn't accept this view. She still feels that an electronic signature is not a personal guarantee, that the level of compensation is insufficient as she feels AMEX hounded her for eight months over the outstanding debt and was only able to provide the copy of her online form when she complained to us. And finally she doesn't understand why AMEX wouldn't allow her to set up a repayment plan.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I realise Mrs S is going to be disappointed but I've reached the same conclusions as our investigator and for much the same reasons.

There's no dispute that Mrs S had a business card with AMEX, that there was a supplementary card holder attached to the account or that the account went into debt.

Mrs S feels strongly that she isn't liable for the outstanding debt on the card. She feels the letter 'E' on the online application form she has seen a copy of isn't sufficient to prove her liability for the debt on the card. She says anyone could've applied with her details.

We've checked with AMEX and the 'E' on the form we've been sent shows that there was an electronic signature on the online application. I haven't seen anything to show that AMEX required more than an electronic signature to open an account so I don't think AMEX has done anything wrong in accepting an electronic signature to open the account.

I've also considered that Mrs S has told us she's had the account for some years. I've seen copies of statements she would've got. So I don't think there is any doubt that she did apply for the account. So she was, and is, bound by the terms and conditions of the account. I've seen these and unfortunately they clearly state that AMEX can demand payment of the outstanding balance relating to a supplementary card holder from the main card holder, the business or the supplementary card holder. So I don't think AMEX has done anything wrong in pursuing Mrs S for the outstanding debt.

I know Mrs S is aggrieved that AMEX hasn't told her what action it has taken against the supplementary card holder. I can understand why AMEX has done this. I think it would consider that information to be confidential. As I understand it AMEX has tried to recover the money from the supplementary card holder. But I agree with our investigator that it's not unreasonable for AMEX to make every attempt it can to recover the money. So I don't believe it is doing anything wrong in pursuing Mrs S for the outstanding debt.

Mrs S has made a number of other points. She's told us she offered to agree a repayment plan with AMEX but it refused. She feels this is an example of lack of customer care. And AMEX not acting in a fair and decent manner. She says AMEX told her that as the card was a business card a repayment plan was not an option.

I don't feel I can comment on this for two reasons. Firstly it's a commercial decision for AMEX to make as to whether it would offer or agree to a repayment plan or not. And therefore not something for me to comment on. But secondly I can't see that Mrs S has raised this as part of her original complaint. So AMEX has not had the time or opportunity to respond to this issue. If Mrs S isn't happy that AMEX wouldn't agree a repayment plan she might want to consider discussing this with AMEX first. And if she isn't happy with the response she could consider putting in a new complaint.

Finally Mrs S isn't happy with the level of compensation our investigator offered and AMEX has agreed to pay. I have considered all the points Mrs S has made carefully. I can see she had to wait several months to get the copy of her online form. I accept that that may have impacted on her ability to progress the legal case she has referred to against her partner – although she hasn't given us any evidence of this.

I do think the time it took for AMEX to provide the information Mrs S wanted was unreasonable. And I don't doubt it has caused her some frustration. She has made some other comments about the impact on her health and personal circumstances. But again she hasn't given us any evidence of this. So I don't think I can reasonably take this into account. I do think taking everything into account that £150 is reasonable compensation in this case.

My final decision

My final decision is that in full and final settlement of this complaint American Express Services Europe Limited should pay Mrs S £150 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 15 February 2018.

Bridget Makins
ombudsman