

complaint

Mr R complains that American Express Services Europe Limited (Amex) blocked his charge card and then applied a limit where there had previously been none. He also complains that the business has suspended his card and has asked him to repay his outstanding balance.

background

Mr R says that, while he was travelling in the UK, Amex blocked his card leaving him in a difficult situation. Amex subsequently suspended his account and asked that he repay his outstanding balance which Mr R has refused to do. Amex says that prior to blocking the card it carried out a review of Mr R's account. It had concerns about Mr R's source of income and his increasing spending. As such, it wrote to him in early July 2013 to ask for financial documentation, but received no reply. Mr R's August payment was not received on time and having reviewed his credit status, which gave Amex additional cause for concern, it took the decision to block the card.

It also issued Mr R with a notice of default in August 2013, but did not record a default on his credit file until 24 April 2014. Amex says that in August 2013 Mr R contacted it to say he had recently suffered a bereavement and that his bank account had been the subject of fraud. Mr R was asked to provide written confirmation, but Amex says that none was received. Amex says that after waiting for a response it intended to register the default in Mr R's credit file, but it had not done so by the end of December when he made a formal complaint. At that point it deferred any further collection activity until the complaint was dealt with.

Mr R did not consider he received a satisfactory response to his complaint and brought it to this service. The adjudicator recommended that the complaint be upheld in part. He considered that it was reasonable for Amex to suspend the card but it should have registered the default in August 2013 and it should also repay any charges and interest paid by Mr R since that date. Amex did not agree and said that it had given Mr R additional time to supply the necessary documentary evidence. It also said that no charges or interest had been applied since August 2013.

my findings

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

I am broadly in agreement with the adjudicator's view. Amex having reviewed Mr R's account had cause to be concerned. His spending had gone up significantly and he had left his employment and become self-employed. His credit file showed a number of defaults, late payments and a court judgement. It quite reasonably asked him for some documentary evidence of his financial status and when it got no response and he was late in making a payment it suspended his card.

I can understand Mr R's annoyance at having his card suspended and the difficulty he encountered when he was away from home. However, I have seen no evidence to show that he had responded to Amex's requests and as such I consider it took reasonable steps to protect its position.

After sending Mr R a notice of default Amex deferred registering the default in part to allow Mr R more time, but also because of its own internal delays. While I appreciate that Amex

was trying to allow Mr R time to respond I agree with the adjudicator that it should have registered the default earlier. Since the adjudicator issued his view Amex has confirmed that it had not imposed any interest or charges on Mr R since August 2013.

In his original complaint Mr R asked that his card be reinstated and that Amex apologise to him. He has also asked that it issue him with a platinum card. Given his credit status and his lack of response to Amex's reasonable requests I do not consider that it should be required to meet any of these wishes.

my final decision

My final decision is that I uphold this complaint in part and direct American Express Services Europe Limited to backdate the registration of the default notice to 23 August 2013.

Ivor Graham
ombudsman