

The complaint

Mr S complains about the way American Express Services Europe Limited (AESEL) (Amex) handled an account review. Mr S says mistakes by Amex led to his account being closed.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

In October 2021 Amex contacted Mr S and asked him to provide some personal information and identification documents as part of a Know Your Customer (KYC) review of his account. Amex said it would terminate Mr S' account if the information wasn't supplied within two months.

Mr S has told us he quickly submitted a copy of his passport, bank statement and other supporting information to comply with Amex's request. A short time later, Amex sent Mr S an email that said the information he'd supplied was either invalid or illegible. Amex's email directed Mr S to its website and asked him to submit a clear copy of his identification and address document. Amex's email said Mr S's credit card facility would be suspended then closed if he didn't comply.

A few days later, Mr S entered an online chat with Amex as he wanted to know what documents were unacceptable. The agent agreed to email Amex's KYC team.

Mr S didn't hear back from Amex so ten days later entered another online chat and asked about whether his documents had been received. The agent explained the KYC team had received Mr S' documents and was completing the work required. Mr S was asked to wait.

After another 10 days, Amex emailed Mr S again to say his documents were either invalid or illegible. The email was the same as the one Amex had previously sent. Mr S again discussed the documents he'd submitted via an online chat with Amex. Mr S asked the agent to confirm the specific issue with the information provided.

During the chat, the agent said Mr S also needed to submit verification documents for the additional card holder.

Around a week later, Amex suspended the account. Mr S contacted Amex which said its KYC team would be in touch. Mr S called back around 10 days later after no contact was received. On 22 December 2021 Mr S had another online chat with Amex. The agent said the block would be removed within 24 hours if the KYC team was satisfied with the documents Mr S had submitted. The suspension was removed the following day.

A month later, Amex emailed Mr S and said he'd submitted some but not all the information required. No list of outstanding items was issued. The email warned Mr S' account would be closed if he didn't provide the information by the end of February 2022. The email also said that if the information missing related to the additional account holder, their card would be cancelled at the end of February 2022 but the account would remain open.

Mr S' told us he thought the missing items related to the additional card holder so didn't take further steps, beyond confirming to Amex he was happy for their card to be cancelled. At the beginning of March 2022 Mr S called Amex and asked what was missing. Mr S' told us he was again given a generic answer. The account was closed by Amex a short time later.

Mr S went on to raise a complaint but Amex didn't agree it had acted unfairly or made mistakes with the way it had requested information and closed his account. Amex ultimately said Mr S had failed to complete a form from its website when completing the verification process.

An investigator at this service looked at Mr S' complaint. They thought Amex had dealt with it fairly and didn't ask it to do anything else. Mr S asked to appeal and said he'd supplied everything Amex had asked for and gone back to it on at least five occasions to try and understand what was going wrong. Mr S also pointed out he has other accounts with Amex that weren't impacted by its KYC review or closed. As Mr S asked to appeal, his complaint has been passed to me to make a decision.

What I've provisionally 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've taken some time to set out some of the background above as I wanted to show that Mr S was proactive in submitting documents and contacting Amex. Mr S told us he kept receiving generic responses from Amex that just said the documents supplied were either illegible, incomplete or invalid. I can see Mr S's growing frustration with being told the documents he'd sent in weren't right without any specific guidance. In my view, Amex's actions and decision to close his account were unfair.

I understand Amex contacted Mr S each time after it reviewed his submissions. But after Mr S responded to specifically ask what information was missing or if other information was required, it should've been clear he needed guidance. Instead, Amex repeatedly sent the same emails that didn't explain why his submissions were rejected.

I can see no reason why Amex couldn't have gone back to Mr S with a specific response setting out outstanding information and instructions after he asked for help. I can also understand why Mr S is upset that the outstanding document was a form from Amex's website. I appreciate the website contains guidance that says the form should also be completed. But no one at Amex actually told Mr S that. It is obvious that Mr S wasn't aware he needed to supply the form, in addition to the documentation Amex requested.

My view is that Mr S was able and willing to comply with Amex's requests but needed help. And I think he should've been able to rely on Amex, over the course of around five months, to contact him with the relevant guidance following previously failed attempts to complete the process. Had Amex called Mr S, emailed him a specific set of steps and documents required or written to him I think it's more likely than not he would've been able to comply and his account wouldn't have been terminated. Based on the information I've seen so far I intend to uphold Mr S' complaint.

Mr S has told us he'd like his account to be reopened. But now the account has been terminated, reopening it would likely require a new application to be completed. I understand this will cause further inconvenience to Mr S and I've factored this into my decision.

I can see Mr S spent a lot of time trying to resolve matters with Amex and that the way his queries were handled caused a reasonable level of frustration. I also think it's fair to note Amex first requested information from Mr S in October 2021 and then closed his account in March 2022, around five months. In addition, Mr S ultimately lost the use of his credit card.

Taking all the above factors into account, I intend to uphold Mr S's complaint and direct Amex to pay him £300. In my view, that figure fairly recognises the impact of the issues I've noted above on Mr S and the distress and inconvenience caused.

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I asked both parties to respond with any further comments or information they wanted me to consider before I made my final decision. Mr S responded to confirm he was willing to accept. We didn't hear back from Amex.

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.

As neither party has given me new information to consider, I see no reason to change the conclusions I reached in my provisional decision. I still think Mr S' complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr S' complaint and direct American Express Services Europe Limited (AESEL) to pay him £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 February 2023.

Marco Manente
Ombudsman