

The complaint

Mr H complains that American Express Services Europe Limited (Amex) have provided him with poor customer service since he attempted to close his account.

What happened

Mr H attempted to close his account in July 2022. He received a cheque from them for £38.68, which he assumed was in relation to a credit balance he had on his account. Mr H contacted Amex and he was told his account was still active and there was a further credit balance due to a refund (£79) from a third party. As Mr H lives overseas, he was unable to deposit a cheque in the currency it was issued in, but he has an account which can accept this currency and he asked Amex to pay the money directly into that account. Amex asked for evidence of the account, which Mr H says he provided them with, however, he was issued another cheque for the further refund. He also asked Amex for a Data Subject Access Request (DSAR). Mr H made a complaint to Amex, but they did not respond to his complaint, so he brought this to our service.

Amex upheld Mr H's complaint. They said their records showed that a credit balance refund (CBR) of £79 had been returned to him and there was a clerical error in regards to the cheque for £38.68. They said they acknowledged his complaint on 2 November 2022. Amex said they have requested another DSAR to be sent to Mr H, which may take up to a month and taking these factors into account, they sent him a cheque for £100.

Our investigator upheld Mr H's complaint. She said errors had been made as Amex admitted this in their final response to Mr H and £100 was fair compensation. She said Amex sent Mr H a letter on 11 October 2022 asking him to provide information necessary to action a CBR, but she didn't believe Mr H received this letter as while Mr H lives abroad – and had informed Amex of his address, the letter showed United Kingdom in the last line of the address which may have caused an issue. She said Amex need to update his address, to ensure letters are being sent correctly. Mr H asked for an ombudsman to review his complaint. He said the chat logs showed he raised his complaint with Amex in August 2022.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

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

Before I completed my investigations into Mr H's complaint, Amex told me that the previously issued cheques of £38.68 and £79 were automatically credited back to Mr H's closed account when he hadn't deposited the cheques. Amex said that the £100 cheque they paid Mr H for the outcome of his complaint has been cancelled and credited to his closed account also. So the balance of his closed account was £217.68. They said to help progress this complaint, as Mr H had provided a copy of his bank statement as part of his DSAR, they had sought agreement to have this returned to his third party account which can accept Pounds sterling. They said this agreement had been approved and as this was issued to Mr H's bank account, his account balance is now zero which allows them to fully close his account. They

also updated Mr H's address. Mr H asked me to continue with my investigations into his complaint.

I've considered what has happened from when Mr H asked Amex to close his account. I've looked at the chats that Mr H and Amex had in August 2022. It's clear to me that on 3 August 2022, Mr H asks Amex to raise a complaint for him. The chat agent responds by saying "I will go ahead and add notes and request our team to expedite the process". But it doesn't appear that Mr H's complaint was registered in August 2022, even though this had been again confirmed to him on a chat he had with them on 22 August 2022.

In the chat on 3 August 2022, they discuss the CBR. The chat agent asks Mr H "Do you want me to process the credit balance refund into your bank account ?" Mr H confirms that he does and security details are given. I can see a message in the chat which says "Bank account validation was successful." Mr H is told "I have successfully requested the team to issue the refund of £ 79.00 to your bank account. The refund will be processed by our team within 10 working days and reflect on you're account." So I do think that Amex set an expectation here that the £79 would be paid to Mr H's bank account directly and not by cheque. But they still sent a cheque out to Mr H for £79.

Mr H then asks about the cheque for £38.68. The agent asks him a question, but Mr H doesn't respond to his question. As such this is not discussed further. As Mr H did not respond to Amex's question as part of security, then I'm satisfied that the agent couldn't do anymore on this issue at the time.

It may help to explain to Mr H Amex's process for a CBR. Amex have told us that if they are to send a credit back to a bank account, they need to trace the original payment that was made to Amex, that paid for the original transaction, which was subsequently reversed or refunded, which then creates the credit balance. So they ask to see a detailed bank statement which shows certain details, including the original payment to Amex, this enables Amex to meet their anti-money laundering requirements. If they can't send the money to that bank account, their process is to send a cheque to the account holder. But this wasn't explained to him in the chat. So if Amex needed a bank statement from Mr H, I would've expected the chat agents to tell Mr H exactly what they would need from him.

I can see that Mr H was sent letters dated 5 August 2022, 10 October 2022 and 25 October 2022, regarding the £79 credit balance on his account. The two October letters asks him to "upload an online scan of the source account bank statement" and gives him the website address to do this and the requirements of what he needed to send them. But it appears that Mr H didn't get these letters. This is likely because the address contained United Kingdom when he was based overseas. If the address was correct, then this would have enabled Mr H to take the actions on the letter and he could've received the CBR a substantial number of months earlier than when he did receive this money.

Amex then wrote to Mr H on 9 November 2022 to let him know that they issued the CBR by cheque. While it appears that Mr H did receive the cheque which I understand was sent separately to the letter, he maintains he didn't receive the letter which explained why he got the cheque. As the letter contained United Kingdom when he lived overseas, then this is likely why he didn't receive this letter.

So I'm persuaded that Amex have let Mr H down on a number of occasions since he asked for the account to be closed. I say this because the communication which they sent him by post contained errors in the address, despite it being clear he lived overseas. So it appears that he didn't receive all of the post Amex sent him - although he did receive some of it, such as the cheques Amex sent to him. In addition to this, it appears they didn't investigate his complaint when he raised it in August 2022. And they told him in August 2022 that the CBR

was being sent to his bank account. They even told him this would be processed in 10 working days – yet it was in October when they wrote to him about the CBR, requesting his bank statement, and all of this was after they said his bank account was successfully validated in the chat he had with them.

Amex also incorrectly told Mr H that the cheque for £38.68 was a clerical error, when in fact it was for an earlier refund. It also appears that there were delays with the DSAR as the email was not forwarded on to the correct team until the following month.

So I've considered what would be a fair outcome for this complaint. I'm pleased to see that Amex have managed to pay the £38.68 and £79 refunds direct to Mr H's third party bank account, and they have also paid the £100 compensation to that account also. They have also updated his address to the correct address overseas. But I'm not persuaded that the £100 compensation recognises the impact that all of Amex's actions had on Mr H. I say this as there were significant delays in actions. Mr H was told in August that his CBR would be processed in 10 working days and his bank account was successfully validated. He was not told on the chat the requirement for him to send his bank statement, so the expectation was set that there was nothing further he needed to do after his bank account was validated and he was told it would be processed in 10 working days. As he didn't receive the funds, he was further inconvenienced by having to chase Amex for this.

So I'm satisfied that Amex should pay Mr H a further £150 to total £250 compensation for what happened here – but to not pay this extra compensation as a cheque, even though this would be their normal process when an account is closed. Amex have proven with the other compensation that they can pay this direct to his account, and I would expect them to be able to do this with the further compensation also. I'm satisfied an extra £150 recognises the impact of the delays, sending post to an address which showed a different area to the country Mr H was living in, which resulted in Mr H missing out on post which could have resolved the situation a lot earlier than when it was resolved and the general poor customer service they provided Mr H which caused him distress and inconvenience. So it follows I intend to ask Amex to put things right for Mr H."

I invited both parties to let me have any further submissions before I reached a final decision. Amex accepted the provisional decision. Mr H did not say whether he accepted the provisional decision or not. He mentioned several points about the chat history. In summary he said there was no mention of a cancellation letter in the chat on 20 July and even if the chat was not disconnected, the reason for the address is not stipulated. He asked if Amex had confirmed the representative has disconnected message indicated his connection was disconnected as some aspects of the chat logs suggest otherwise, such as he wasn't able to resume chats without logging in again. He said the address was correct as he received a confirmation of address change letter when he first moved abroad.

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.

Firstly, I'm aware that I've only summarised Mr H's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Mr H has said that there was no mention of a cancellation letter in the chat on 20 July. And I

agree. The agent could have been clearer why he needed Mr H's address, but this was only explained to him on 3 August 2022 at 3:27am when a new agent says *"Rep asked the address for cancellation letter and then was unresponsive hence card was not cancelled"*.

I can confirm to Mr H that Amex have not confirmed either way if the *"Representative has disconnected"* message indicated his connection was disconnected as some aspects of the chat logs suggest otherwise such as he wasn't able to resume chats without logging in again. I can see through the chat history he had mentioned issues with the chat. The message in the chat would indicate that it was Mr H that disconnected. But I would not be able to prove whose connection was at fault for this.

I've considered what Mr H has said about his address being right. But Mr H has told us he didn't receive certain correspondence from Amex. In an email to our investigator on 9 March 2023 he said *"I've also seen the letters from October asking for information provided 22/8/3 and 22/8/22. I can confirm they did not reach me and they are addressed to the UNITED KINGDOM"*. So because Amex hadn't fully changed Mr H's correct address displaying the correct country he now lives in I believe this contributed to the delays as Mr H didn't receive this post, so I said the following in my provisional decision:

"I can see that Mr H was sent letters dated 5 August 2022, 10 October 2022 and 25 October 2022, regarding the £79 credit balance on his account. The two October letters asks him to "upload an online scan of the source account bank statement" and gives him the website address to do this and the requirements of what he needed to send them. But it appears that Mr H didn't get these letters. This is likely because the address contained United Kingdom when he was based overseas. If the address was correct, then this would have enabled Mr H to take the actions on the letter and he could've received the CBR a substantial number of months earlier than when he did receive this money.

Amex then wrote to Mr H on 9 November 2022 to let him know that they issued the CBR by cheque. While it appears that Mr H did receive the cheque which I understand was sent separately to the letter, he maintains he didn't receive the letter which explained why he got the cheque. As the letter contained United Kingdom when he lived overseas, then this is likely why he didn't receive this letter."

While Mr H may not agree with some of the contents of my provisional decision, I've tried to be clear that Amex were responsible for significant delays and errors and this is why I'm satisfied he is due further compensation than what Amex have already paid him. My provisional decision said *"So I'm persuaded that Amex have let Mr H down on a number of occasions since he asked for the account to be closed. I say this because the communication which they sent him by post contained errors in the address, despite it being clear he lived overseas. So it appears that he didn't receive all of the post Amex sent him - although he did receive some of it, such as the cheques Amex sent to him. In addition to this, it appears they didn't investigate his complaint when he raised it in August 2022. And they told him in August 2022 that the CBR was being sent to his bank account. They even told him this would be processed in 10 working days – yet it was in October when they wrote to him about the CBR, requesting his bank statement, and all of this was after they said his bank account was successfully validated in the chat he had with them.*

Amex also incorrectly told Mr H that the cheque for £38.68 was a clerical error, when in fact it was for an earlier refund. It also appears that there were delays with the DSAR as the email was not forwarded on to the correct team until the following month. And I did acknowledge the significant delays which weren't Mr H's fault when I said "I say this as there were significant delays in actions. Mr H was told in August that his CBR would be processed in 10 working days and his bank account was successfully validated. He was not told on the chat the requirement for him to send his bank statement, so the expectation was set that

there was nothing further he needed to do after his bank account was validated and he was told it would be processed in 10 working days. As he didn't receive the funds, he was further inconvenienced by having to chase Amex for this."

In summary, Mr H's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Mr H is disappointed, I hope he understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask American Express Services Europe Limited to pay Mr H a further £150 (but not by cheque) for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. American Express Services Europe Limited should pay Mr H a further £150 (but not by cheque) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 August 2023.

Gregory Sloanes
Ombudsman