

### **The complaint**

Mr L complains that American Express Services Europe Limited (AESEL) suspended his account without notice and for an extended period while verifying his 'know your customer' (KYC) documents.

### **What happened**

AESEL requested KYC verification documents from Mr L in October 2022. Mr L says he submitted the documents, but AESEL took an extended period to validate these and remove the suspension from his account and it cancelled one of his cards.

AESEL said that in October 2022, it sent Mr L an email saying his account had been suspended and requesting him to upload proof of his identification and address. It said that Mr L uploaded documents on 12 October, but the proof of address was invalid. A new document was received from Mr L on 14 November. AESEL said that Mr L's complaint was opened on 12 October 2022 and resolved on 1 December 2022 and at the time of the complaint it was satisfied that AESEL had acted appropriately. It accepted that there was a delay validating the documents and reactivating Mr L's account once the correct documents had been received. It said Mr L's account was reactivated on 16 January 2023 and it initially offered to credit Mr L's account with £100 because of the delay.

Our investigator upheld this complaint. He thought the offer of £100 for the distress and inconvenience caused by the delay was reasonable. But he also thought that AESEL should offer Mr L a pro-rata refund of the account membership fees for the period he couldn't use his account.

Mr L responded to our investigator's view saying that after he had submitted his documents there was no communication to say his submission was invalid and it was when he made contact that he was told the document needed to be resubmitted. He said both his cards were suspended and one was then cancelled without cause. As settlement to his complaint, he said he wanted:

- a) £100 for the distress and inconvenience caused.
- b) pro-rata refund of his membership fees from 10 October 2022 (when he first discovered his cards had been suspended) to 17 February 2023 (when he was notified that his Platinum card was reinstated).
- c) his cancelled card reinstated or for him to be allowed to reapply for the card with a welcome offer.

AESEL responded to Mr L's request offering:

- a) £150 as a gesture of good will for the distress and inconvenience caused - either a cheque or statement credit applied to Mr L's account.
- b) a pro-rata refund on Mr L's membership fees paid since 10 October 2022 to 17

February 2023.

AESEL said it wasn't possible to reinstate Mr L's card that had been closed but said Mr L could reapply for the card.

Mr L accepted the response in regard to his Platinum card but didn't think that AESEL had done enough to address the issue with his cancelled card.

Following Mr L's response, AESEL said that it was able to determine the amount of points Mr L had forfeited when his card was cancelled and if he was successful in reapplying for the card these could be applied to his new account.

Mr L accepted this but thought he should receive a further £150 for the distress and inconvenience associated with his cancelled card.

AESEL didn't agree with this and said the £150 was for the issues Mr L faced on his account, not a specific card.

As a resolution hasn't been agreed, this complaint has been passed to me an ombudsman, to issue a decision.

### **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.

I can understand why Mr L was upset that his cards were suspended. But AESEL is required to undertake certain checks and in this case, it was requesting KYC documents. Mr L uploaded documents on 12 October but AESEL said the proof of address was invalid and so he was required to upload another document. Mr L uploaded a further document on 14 November, but his account wasn't reactivated until 16 January 2023.

Based on the information received I find that AESEL didn't provide the service it should have. Mr L says he wasn't told about the issue with his documents and then he only found out that he needed to resubmit a document when he made contact. There was then an extended delay after the documents had been provided during which Mr L wasn't able to use his cards and one of Mr L's cards was cancelled during this process.

My role isn't to punish a business, but where mistakes have been made, we would expect the consumer to be put back in the position they would have been had the mistakes not happened. In this case, there has been correspondence through the investigation with Mr L saying what he feels is a fair settlement and offers being made by AESEL.

I have considered the current offer by AESEL which is the following:

- £150 in total as a gesture of goodwill for the distress and inconvenience.
- A pro-rata refund of membership fees paid from 10 October 2022 to 17 February 2023.
- Apply all points previously accrued on Mr L's cancelled card account to his new card if its approved.

Refunding Mr L the membership fees for the period from when he found out his account had been suspended to when he was told his Platinum account had been reinstated, means he

hasn't had to pay for a service for the time he wasn't able to access this which I find fair.

AESEL has explained it can't reinstate Mr L's cancelled card but has said he can reapply and if successful any points accrued on his previous account would be transferred, I find this reasonable and puts Mr L back in the position he would have been had the card not been cancelled (in regard to his accrued points).

Therefore, I find the above actions reasonable in terms of trying to put Mr L back in the position he would have been had the delays not occurred.

Mr L has been caused distress and inconvenience through this process. He was without the use of his cards for longer than he should have been, and he now has to reapply for a card. I understand that Mr L thought the £150 offer related to the issues he experienced with his Platinum card, but AESEL has explained it relates to the issues with Mr L's account (not an individual card). While I understand why Mr L feels that further compensation should be paid, in this case I think the £150 is a fair amount for the issues that have been raised and the distress and inconvenience that Mr L has been caused. Therefore, I find that the current offer made by AESEL is a reasonable resolution to this complaint.

### **Putting things right**

American Express Services Europe Limited (AESEL) should, as it has agreed:

- Pay £150 as a gesture of goodwill for the distress and inconvenience Mr L has been caused.
- Provide a pro-rata refund of membership fees paid from 10 October 2022 to 17 February 2023.
- Apply all points previously accrued on Mr L's cancelled account to his new card if its approved.

### **My final decision**

My final decision is that American Express Services Europe Limited (AESEL) should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 November 2023.

Jane Archer  
**Ombudsman**