

## **The complaint**

Mr O complains that American Express Services Europe Limited (AmEx) suspended and then closed his credit card account.

## **What happened**

Mr O held a credit card account with AmEx. In April 2023 AmEx wrote to Mr O to advise they were reviewing his account and requested the previous two months' bank statements. They also explained his account had been suspended temporarily, while the review was conducted.

Mr O supplied the documents in May 2023 and AmEx completed their review. They then wrote to Mr O on 24 May 2023 explaining they'd made the decision to close the account.

On 6 June 2023 Mr O complained – saying he hadn't been provided with a reason the account had been closed. AmEx explained this was a business decision but didn't provide further details. Separately they agreed to send a cheque for £50 to cover the value of the points he'd accrued using the credit card.

Unhappy with this response Mr O contacted our service. He said his account had been suspended for two months and then closed without explanation. Mr O said he'd been asked for details of his employment, which he'd provided. He later told our service, as a result of the pandemic he'd unfortunately been laid off – but had recently gained employment, which he'd told AmEx about. Mr O further commented that under certain rules AmEx couldn't close his account without explanation and he'd been left in a difficult position financially as a result. Mr O also said he still hadn't received the cheque for £50 AmEx had promised.

Mr O later confirmed the cheque had since been received – but remained unhappy the account had been closed.

An Investigator here reviewed matters but concluded AmEx hadn't acted unfairly. She explained under the terms and conditions of the account, AmEx could decide to end the agreement with Mr O, as they'd done. She also explained the rules Mr O had referred to didn't apply here.

Mr O didn't agree, saying he didn't fall into any of the categories AmEx had set out in their terms and conditions.

Our Investigator considered what Mr O had said but explained it didn't change her opinion. Explaining that while she was unable to share further details with Mr O, she considered AmEx had acted fairly and in line with their terms and conditions.

With no resolution the case was passed to me to decide.

## **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.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

Firstly, I think it would be helpful to explain that lenders such as AmEx have a number of legal and regulatory responsibilities which require them to monitor and review the accounts they provide. The terms and conditions of Mr O's account allow AmEx to suspend and withdraw services, if necessary, to fulfil their obligations.

While the terms and conditions of the account allow AmEx to both suspend and close Mr O's account, I've also thought about whether AmEx made an error or treated Mr O unfairly in doing this. But I can't say they have.

I say this because, as explained, AmEx were entitled to review their relationship with Mr O. The terms and conditions of his account also allowed them to suspend his account while their review was completed. I've also seen Mr O was notified when the review began on 17 April 2023. So I'm satisfied they've acted fairly here.

While Mr O's account was suspended for around five weeks before AmEx made the decision to close it, I don't think this was unreasonable. I say this because it took several weeks for Mr O to supply the relevant information but once he did, the review was carried out swiftly, and the outcome issued to Mr O within two weeks. So I can't say AmEx have delayed things unnecessarily. And ultimately, I don't think it had any material impact on things – as, unfortunately, AmEx made the decision to close the account in any case. So, while I'm sure this must have been frustrating for Mr O, I don't think AmEx have acted unfairly here.

Turning now to the closure of Mr O's account. The terms and conditions allow AmEx to close the account immediately in certain circumstances. Having reviewed those, and considered the evidence I've been provided, I'm satisfied AmEx acted in accordance with the terms and conditions when they closed Mr O's account. I'm satisfied they have also done so for fair, legitimate and non-discriminatory reasons. And they weren't obliged to give Mr O advance warning of their decision to close his account.

I understand Mr O would like to know more about why the account was closed, but AmEx aren't obliged to explain the reason for their decision to Mr O, and I can't compel them to do so. As our Investigator explained, the rules Mr O referred to don't apply here either – so I won't comment on those further.

I understand Mr O's primary concern with the review was that he'd previously told AmEx he was unemployed, but they'd allowed him to keep the account at that point. And now, employed again, Mr O questions why the account has been closed. I've thought about this and while I can't comment on why AmEx previously allowed Mr O to keep the account, as that wasn't part of the complaint he raised with them, they are able to decide when they carry out reviews. And as long as certain requirements are met, as I've explained, they can make the decision to end a relationship with a customer, as they've done here.

I understand this will come as a disappointment to Mr O, as he'd like to have the account reinstated and compensation for the inconvenience he's experienced. But I'm unable to say AmEx has made an error or treated Mr O unfairly in suspending and closing the account. That was a decision they were entitled to make. The terms and conditions of Mr O's account allowed for the immediate closure, and I think it was reasonable for AmEx to exercise that power in the circumstances here for the reasons I've explained above.

**My final decision**

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 April 2024.

Victoria Cheyne  
**Ombudsman**