

## **The complaint**

Miss R complains about a decision by American Express Services Europe Limited trading as American Express (AESEL) to cancel her credit card.

## **What happened**

Miss R is unhappy that AESEL placed a review on her credit card account and ultimately cancelled it.

Miss R's credit limit was reduced on 12 July 2023. She contacted AESEL to query this. AESEL advised Miss R that the reduction was due to changes in her credit file and an increase in spending on the account.

The account was referred to AESEL's credit department for a review. AESEL asked Miss R to provide bank statements. Miss R provided these. AESEL reviewed them and determined that the balances weren't high enough to support the current spending on the credit card account. AESEL made the decision to close the credit card account and issued a notice of default to Miss R on 3 August 2023 advising her that it could terminate the agreement at any time after 20 August 2023.

Miss R complained to AESEL. AESEL didn't uphold the complaint. In its final decision it said the account had been cancelled in accordance with the terms and conditions.

Miss R remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions of the account allowed the business to end the agreement at any time. The investigator also said that a business didn't have to give reasons if it cancelled an agreement.

Miss R didn't agree. She said she'd never exceeded her credit limit and had always made payments on time. She said she wanted to repeat her offer to pay £500 per month by direct debit.

## **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've reviewed the terms and conditions of the account. These state that the agreement can be ended without giving any reason by either party. This means that AESEL can cancel the account at any time, and it isn't obliged to provide Miss R with a reason for doing so.

In this case, AESEL has explained to Miss R that it reviewed her account following an increase in spending on the account. Miss R has told this service that her spending increased due to refurbishing a new property. She said that she contacted AESEL when her card was cancelled and offered to set up a direct debit for £500 per month.

I appreciate that Miss R is frustrated by AESEL's decision to cancel her card. However, the

terms and conditions of the account allow AESEL to cancel at any time. So, I'm unable to say that AESEL has made an error.

Miss R has said that she's never exceeded the credit limit and has always made her monthly payment on time. Based on what I've seen, that isn't disputed. However, this doesn't mean that AESEL has done something wrong by closing the account. The terms and conditions allow AESEL to close the account at any time.

I've thought about whether AESEL treated Miss R fairly when it took the decision to close the account. Based on what I've seen, AESEL reviewed the account and found that Miss R no longer met the criteria for a credit facility. I haven't seen anything to suggest that AESEL applied its criteria unfairly to Miss R, or that it applied its processes any differently than it would to other customers.

I appreciate that Miss R has offered to set up a direct debit for £500. AESEL has said that this wouldn't change the decision to cancel the account. Once an account has been cancelled it can't be re-opened. I've already explained that AESEL acted in line with the terms and conditions when it closed the account.

I understand that Miss R will be disappointed by my decision. But for the reasons I've explained, I'm unable to uphold the complaint.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 15 April 2024.

Emma Davy  
**Ombudsman**