

The complaint

Mr D complains that American Express Services Europe Limited (AESEL) unfairly closed his account after he had sent the information it had requested.

What happened

Mr D said that in response to AESEL's requests he sent letters including copies of his passport and proof of his address, but AESEL didn't acknowledge his letters. His letters referenced his previous correspondence and made it clear he wanted his account to remain open. However, AESEL closed his account. Mr D says this shouldn't have happened as he sent the information requested. He wants his account reinstated.

AESEL issued a final response dated 30 March 2023. It said that it had sent emails and letters to Mr D as it needed to fulfil its Know Your Customer (KYC) requirements. It said its team wanted Mr D to verify details by logging on or by calling its customer service team. It said where it is unable to fulfil its KYC it has taken a policy decision to exit the relationship. It said that as it didn't receive the required information it wrote to Mr D on 23 February 2023 to confirm the cancellation of his account.

Mr D wasn't satisfied with AESEL's response and referred his complaint to this service.

Our investigator didn't uphold this complaint. She accepted that it was likely Mr D had sent information to AESEL, but she couldn't say why this hadn't been received and so couldn't conclude that AESEL had acted unfairly as a result of not receiving the information. She said AESEL had provided notice of the account closure to enable Mr D to make alternative arrangements.

Mr D didn't agree with our investigator's view. He said our investigator accepted he had sent the letters containing his passport and proof of address but hadn't questioned AESEL's claim that these hadn't been received. He said it wasn't reasonable to accept that both his letters were lost in the post and said it was more likely that the documents were mislaid by AESEL. He reiterated that he wanted his account reinstated.

My provisional conclusions

I issued a provisional decision on this complaint, the conclusions of which are set out below.

AESEL contacted Mr D as it needed to update the information it held as part of its KYC requirements. As AESEL is required to undertake this process I cannot say it was wrong to request the information from Mr D.

I have looked at the timeline of events and can see that contact was made with Mr D in May 2022. The communications provided around this time asked Mr D to update his information online. While Mr D didn't complete the online update as requested, he did send letters to AESEL and these were sent to the correct address. Mr D's letter dated 19 May 2022 said that he had enclosed a copy of his passport and explained that he hadn't been able to navigate the online reference. He followed up on this letter with a letter dated 29 May. And

on 4 July 2022, he sent a letter referring to his previous letters and a call and enclosing another copy of his passport and a copy of his council tax bill.

I have listened to the call that took place on 4 July. Mr D confirms where he had previously sent his passport copy and the adviser says this is correct but said that Mr D needed to include his full credit card number on each page of the document sent in. Mr D had only included part of his credit card number. Mr D is also told on the call he would need to provide proof of his address. The adviser did try to assist Mr D with the online process, but Mr D wasn't comfortable with this and said he would send in the required documents.

Mr D asked that an acknowledgment of receipt of his documents be provided and the adviser says this has been noted. This wasn't provided as AESEL has said that the process is automated and so no acknowledgement of documents is sent. Therefore, while I cannot say that AESEL was wrong not to acknowledge the receipt (or that it treated Mr D unfairly because of this) I think it could have provided Mr D with better service on the call by saying that acknowledgement of document receipt wasn't possible.

Following the July call I think it reasonable that Mr D would have thought that once he had provided a copy of his passport again and his council tax bill (with the correct card details recorded) this would complete the process. AESEL has confirmed that it received the required identification documents and while it hasn't been able to say exactly when these were received, they had been added to Mr D's account by 18 July 2022 suggesting the documents Mr D sent following the 4 July call were accepted.

Unfortunately, the information provided wasn't sufficient for the KYC process to be completed. AESEL has said that it also required further details, relating to Mr D's income and occupation. AESEL has provided copies of emails it sent to Mr D following the July call, but these do not set out what information was still needed. Instead, it asks Mr D to update his accounts online. While I accept this was its usual process, I think that AESEL could have done more to assist Mr D. I say this because Mr D had told the adviser he hadn't been able to access the online process and he had referred to this in his letter. He had sent in the documents that had been required on the call and he hadn't been told of any other information requirements. Had he been told on the call the additional information required, or if the email had said what information was still missing (rather than a referral to the online account process), Mr D could then have provided this information by phone or other means and his account might then have been able to remain open.

While I uphold this complaint in regard to the level of service provided, I do not find that I can say that AESEL did anything wrong by closing Mr D's account. Mr D hadn't provided all of the information needed for the KYC process and AESEL's account terms and conditions set out that an account can be closed with two months' notice and in this case Mr D was provided with sufficient notice of the pending account closure. Mr D had earned points on his account before it was closed and while I do not require AESEL to reinstate Mr D's account, it has said that if Mr D successfully applies for a new account his points could be transferred to the new account. I find this a reasonable resolution.

In conclusion, while I know Mr D wants his account reinstated, I do not find I can require AESEL to do this. But I think that if Mr D successfully applies for a new account his previously earned points should be transferred to this. I also find that Mr D should be compensated for not being provided with the service he should have when trying to meet the KYC requirements. Because of this I think AESEL should pay Mr D £100.

AESEL accepted my provisional 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.

As no new information was provided in response to my provisional decision, my conclusions haven't changed. In this case I do not find that AESEL provided the service it should have to Mr D when he was trying to meet its request for information. I think that had AESEL provided clearer information, or better support to Mr D, then the account closure might have been avoided.

As I have previously set out, while I do not find I can require AESEL to reinstate Mr D's account I think that if Mr D successfully applies for a new account his previously earned points should be transferred to this. I also find that Mr D should be paid compensation of £100 due to not receiving the service he should have.

Putting things right

American Express Services Europe Limited (AESEL) should pay Mr D £100 compensation for not providing the service it should have when he was trying to provide the information requested. It should also transfer Mr D's previously earned points to a new card should he successfully apply for one.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 February 2024.

Jane Archer
Ombudsman