

## The complaint

Mr L complains about how American Express Services Europe Limited (AESEL) came to the decision that his credit card account ("account") should be closed.

## What happened

On 7 August 2023 AESEL blocked Mr L's credit card following a review. This review was triggered as a result of what AESEL says was a large transaction undertaken by Mr L that was unusual in light of his usual spending activity on the account.

On 8 August 2023 AESEL sent Mr L an email requesting various information and documentation from him.

On 8 August 2023 AESEL called Mr L and says that it advised him (during this call) that it needed sight of his pension fund statement and his latest two bank statements for the account from which he made his monthly account payments.

On 9 August 2023 Mr L provided AESEL with his latest bank statement for the account from which he made his monthly account payments, his 2023 private pension P60 and evidence of his premium bonds holding.

On 10 August 2023 AESEL sent Mr L a default notice for £3,004.54. This default notice said:

*We have reasonable grounds to believe that you are unable or unwilling to pay your debts when due. This is a breach of the agreement, as explained in the 'Ending your agreement' section of your agreement. There is nothing you can do to remedy this breach.*

*Please be advised that we can terminate your Agreement at any time on or after 26/08/2023 and:*

*...we will serve notice, on you, in writing, demanding payment of the outstanding balance, plus interest...*

*The outstanding balance (excluding any Unbilled/Pending transactions) as of the date of this notice is: £3,004.54,"*

On 17 August 2023 Mr L paid Amex £3,004.54, sent it evidence of his private pension balance and raised a complaint with it.

On 23 August 2023, and having been unable to contact Mr L by telephone, AESEL sent Mr L an email advising him that he should contact it.

On 24 August 2023, and still having been unable to contact Mr L by telephone, AESEL sent Mr L a letter reiterating what it had advised him under cover of its 23 August 2023 email.

On 29 August 2023 AESEL advised Mr L his account had been closed following its review of it.

On 23 September 2023 AESEL advised Mr L it wasn't upholding his complaint and that he should get in touch with it regarding the £10.04 credit balance on the account.

On 29 September 2023 and unhappy with AESEL not upholding his complaint Mr L referred it to our service for investigation.

Mr L's complaint was considered by one of our investigators who came to the view that it should be upheld on the grounds that AESEL's account review had been unfair, had led to a poor outcome for Mr L and had caused him unnecessary and material distress and inconvenience.

Amongst other things the investigator said:

- AESEL didn't act unreasonably in deciding to carry out a review of Mr L's account and the affordability of it, but the way it went about doing so (and the outcome it reached following that review) was unfair – particularly bearing in mind AESEL's Consumer Duty obligations
- Mr L was unable to provide precisely what AESEL had asked him to provide, given his personal and financial circumstances, but he was able to provide other documentation to assist with AESEL's review of his account
- what Mr L was willing to provide AESEL (and did provide it) should have been sufficient for AESEL to reach a different decision to the one that it did, which was to close the account and demand payment of the account balance from him in full
- AESEL had been far too rigid in its review of Mr L's account and in what it would or wouldn't accept from Mr L by way of documentation in support of its review

Our investigator recommended AESEL pay Mr L £350.

AESEL didn't agree with the investigators view. In summary it said:

- that it requested two bank statements from Mr L and he only provided it with one
- it only took the decision to close Mr L's account after six days had passed and Mr L, despite more than one attempt to contact him, failed to provide it with a second bank statement

The investigator considered AESEL's response to his view but wasn't persuaded to change his mind. And because of this Mr L's complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same overall outcome as our investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

First, I would like to make clear that I accept AESEL's account terms and conditions allow it to end the account agreement immediately where it has "*reasonable grounds to believe* [that the debtor is] *unable or unwilling to pay* [their] *debts when due*" and to close the account and demand payment of the account debt in full.

But having considered:

- Mr L's particular circumstances, both personal and financial
- what Mr L was able to provide (and did provide) AESEL by way of documentation in support of his personal and financial circumstances which included evidence of a substantial income, savings and assets
- Mr L's account balance in August 2023
- Mr L's payment history prior to August 2023
- what CONC 5.2A.12 states a firm could and should have regards to when considering a customer's ability to make repayments under an agreement (this being due regard to a customer's income, savings or other assets)
- AESEL's obligations under the Financial Conduct Authority's Consumer Duty principle to deliver good outcomes for retail customers

...I'm satisfied that AESEL acted unfairly and unreasonably towards Mr L (and failed to support him in pursuing his financial objectives) in insisting on the provision of a second bank statement and in taking the decision to close his account so quickly after a second bank statement wasn't provided.

Having concluded the above I've now gone on to consider what AESEL should have to do to fairly and reasonably compensate Mr L.

Like the investigator, and for the same reasons, I'm satisfied that what AESEL did, or failed to do, caused Mr L material distress and inconvenience and for this it should have to pay him £350 by way of compensation.

I note that in March 2024 our service shared with AESEL Mr L's bank details for the credit balance on the account to be paid to him, but (according to Mr L) this payment has yet to be made. So on the assumption that this payment hasn't been made, I find that it should be and without undue delay.

It's not clear what information AESEL might have reported to credit reference agencies in respect of Mr L's account closure. But if it has reported anything adverse, I think it's only fair that it has this adverse information removed.

Finally I note that Mr L has raised concerns over the possibility that AESEL has discriminated against him on the grounds of age and religious beliefs in breach of the Equality Act 2010.

In this case, having taken the relevant legislation and guidance into account – including the Equality Act 2010 – I agree with Mr L that AESEL didn't act fairly or reasonably in his case. That doesn't mean I agree with him that AESEL might have breached the Equality Act 2010, not least because only a Court can say whether or not AESEL has done so.

However, our role is to resolve complaints based on what's fair and reasonable. That means the main issue I've to decide is what would be a fair way to put things right in this case. And because Mr L's account has been closed and he has been able to open another elsewhere I'm satisfied that £350 is a fair sum for AESEL to have to pay for the impact its failings in this case have caused.

### **My final decision**

My final decision is that American Express Services Europe Limited (AESEL) must;

- pay Mr L £350 for the distress and inconvenience this whole matter has caused him

American Express Services Europe Limited (AESEL) must pay Mr L this sum of £350 within 28 days of the date on which he accepts this final decision. If it pays later than this it must also pay interest on this sum of £350 from the date of this final decision until the date of payment at the rate of 8% simple per year

- refund to Mr L, if it hasn't done so already, the credit balance on his closed account together with interest at 8% simple per year from the date of account closure to the date of settlement

If American Express Services Europe Limited (AESEL) considers it's legally required to deduct income tax from the above interest, it must send a tax deduction certificate with the payment so that Mr L can reclaim the tax if he is able to.

Mr L should refer back to American Express Services Europe Limited (AESEL) if he is unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of my interest award.

- remove any adverse information it has recorded with credit reference agencies in respect of its decision to close Mr L's account

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 April 2025.

Peter Cook  
**Ombudsman**