

The complaint

Mr D complains that American Express Services Europe Limited required him to provide details of his salary and blocked his online access to his account when he didn't give it that information.

What happened

Mr D has an American Express credit card. When he was logging onto his account in May 2024 he needed to complete some "*know your customer*" information, including details about his salary, before getting access to his account. He says that he would have been happy to provide details of his income, but there's no legal requirement that he provide American Express with details of his salary and that his online access to his account was blocked when he didn't provide his salary details.

Mr D complained to American Express but it said that it had been unable to substantiate any errors by it so it wasn't in a position to uphold his complaint. It said that the periodic request for updates on cardholder information is essential for regulatory compliance and ensuring that the use of financial products aligns with legal requirements.

Mr D wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld. He set out the reasons that he didn't think that American Express had acted unreasonably.

Mr D didn't agree with the investigator's recommendation and asked for his complaint to be considered by an ombudsman. He says:

- according to the Financial Conduct Authority guidelines, the requirement is to provide overall income information rather than specific salary details;
- providing an inaccurate salary figure (as he had previously done with American Express' knowledge and agreement) would result in it maintaining incorrect records, which contradicts the very purpose of the "*know your customer*" process;
- this service has a mandate to ensure that businesses act fairly and reasonably in their dealings with customers and comply with their legal requirements; and
- American Express' actions appear to be disproportionate and lacking in reasonable customer support and engagement and breach their legal requirements as it hasn't paid due regard to the interests of its customers and treated them fairly.

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.

American Express said, in its response to Mr D's complaint, that while the "*know your customer*" process may have caused inconvenience, it's a regulatory requirement aimed at maintaining compliance with anti-money laundering and fraud prevention regulations. As part of that process, it asked Mr D for information about his salary but he didn't want to give it that information. He says that he would have been happy to provide details of his income, but there's no legal requirement that he provide it with details of his salary.

I don't consider that it was unfair or unreasonable for American Express to ask Mr D for information about his salary and if he didn't want to give his salary details he could have answered the question with details about his income or completed it with a nominal figure, as had been done previously. I recognise that in doing so, he wouldn't have given the correct information so that wouldn't have helped American Express to know him but it would have avoided the issues that he had with accessing his account.

As a result of Mr D not providing the requested information, his online access to his account was blocked but he was still able to use his credit card and he would have been able to receive account statements and to deal with his account by phoning American Express. Mr D says that he got back into his account after several weeks by agreeing with American Express to enter £1 as his salary. That, and other options, were available to him from the outset.

Mr D clearly feels very strongly that American Express has acted incorrectly and he says in his complaint form that he wants: a formal apology; clarification and written confirmation of the actual "*know your customer*" requirements; assurance that his account won't be restricted in this manner again without proper justification and prior notice; and compensation for the inconvenience and potential financial impact caused by the restricted access to his account. I've seen no evidence to show that Mr D has suffered a financial loss as a result of not being able to access his account and I'm not persuaded that it would be fair or reasonable in these circumstances for me to require American Express to take any action in response to his complaint.

My final decision

My decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 October 2024.

Jarrold Hastings
Ombudsman