

The complaint

Mr S complains that American Express Services Europe Limited (AESEL) suspended his credit card while it carried out a credit review.

What happened

Mr S holds a credit card with AESEL.

In May 2024 Mr S tried to use the card to pay in a restaurant but it was declined.

On 7 May 2024 AESEL wrote to Mr S to advise him that his account was being reviewed. It said that whilst the account was under review, the card had been temporarily suspended. AESEL asked Mr S to provide his last two months bank statements showing his salary payments.

On 13 May 2024 AESEL wrote to Mr S again. It advised him that further spending on the account had been suspended until the review had been completed and asked Mr S to call them.

Mr S complained to AESEL. He was unhappy about the review and said this should've happened when he took out the card. He said the suspension of the card had caused him embarrassment and distress and he wanted compensation.

AESEL didn't uphold the complaint. In its final response dated 27 May 2024 it said that a credit review could happen at any time post the time the card is issued and explained that this was separate from the initial credit check done at the time of card issue. AESEL said it reviewed accounts as part of its lending policy and that Mr S's card had been suspended in line with the terms and conditions of the agreement.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said AESEL had the right to carry out the review and that it had acted in line with the terms and conditions of the agreement.

Mr S didn't agree. He said that AESEL had failed to give him sufficient notice that it was suspending his card and had failed to consider the impact that suspending the card would have on him as he was only carrying one card on the day his card was suspended. He said he hadn't been told the specific reason why his card had been suspended.

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. Mr S agreed to these terms and conditions when he took out the card.

The terms and conditions state (under the heading "Suspending your account") that AESEL

has the right to suspend an account. The terms and conditions also state that AESEL will normally tell the cardholder that the card has been suspended either before or immediately after the suspension comes into effect.

In this case, I can see that AESEL sent a letter to Mr S on 7 May 2024 to advise him that his card had been suspended whilst it carried out a credit review. I appreciate that Mr S may not have received the letter before he tried to use his card on 8 May 2024. However, there's no requirement in the terms and conditions for AESEL to give a minimum period of prior notice before suspending a card.

Mr S has said that he wants to know the specific reason for his card being suspended. From the information provided, I can see that AESEL suspended the card whilst it carried out a credit review. AESEL has the right to carry out reviews on accounts from time to time. The credit review was the reason for the card being suspended.

I'm unable to require AESEL to disclose the specific reason why his account was flagged for credit review to Mr S as this is business sensitive information. However, I'm satisfied that AESEL hasn't made an error or treated Mr S unfairly by carrying out a review and suspending the card as part of that process, because it has acted in line with the terms and conditions of the agreement.

I appreciate that Mr S was caused distress when he found himself unable to use his card to pay in the restaurant. I understand that not being able to use the card whilst the account was suspended would've caused some inconvenience for Mr S. However, I can see that AESEL told Mr S what information it needed from him in its letter dated 7 May 2024 and removed the suspension on 15 May 2024 having received the information from Mr S on 14 May 2024. I'm satisfied that the card was suspended in line with the terms and conditions and that the review was completed within a reasonable time.

Taking everything into account, I'm unable to say that AESEL made an error or treated Mr S unfairly. I won't be asking AESEL to do anything further.

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 Mr S to accept or reject my decision before 12 November 2024.

Emma Davy
Ombudsman