

The complaint

Mr M complains that American Express Services Europe Limited (“Amex”) closed his credit card accounts without notice or explanation and that, as a result, he has missed out on loyalty points. He says too that those points were not transferred correctly, and that Amex wrongly discussed the situation with a family member.

What happened

Mr M held a number of Amex credit cards. In some cases he was the primary cardholder, and in others he was an additional cardholder on cards held by family members. And family members were also additional cardholders on his accounts.

By using his credit cards, Mr M could earn Avios points. Avios is a loyalty scheme run by British Airways. Points earned can be used for flights and other benefits.

In addition, between November 2023 and May 2024, Amex offered “Tier Points” on any spending over £15,000, in addition to a customer’s usual Avios entitlement. Mr M’s spending in this time was such that he was entitled to both Avios and Tier Points.

On 22 March 2024 Amex wrote to Mr M to tell him that it was withdrawing all his cards – that is, those in his own name and those on which he was an additional cardholder. It said that the accounts would be closed on 21 May 2024 and that they would be suspended in the meantime. Effectively, he therefore lost the ability to use the cards with immediate effect.

Other family members received similar notifications.

Mr M wanted to know why Amex had taken the decision to close his accounts. And he said too that it was unfair that it had done so without giving him proper notice.

Amex said that it had closed Mr M’s accounts in line with the account terms and that it did not have to give him reasons. And it said too that it was entitled to suspend the accounts at any time if it a good reason to do so.

Mr M referred the matter to this service, where one of our investigators considered what had happened. She issued a preliminary assessment but did not recommend that the complaint be upheld. Mr M asked that an ombudsman review the case.

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’ll deal first of all with Amex’s decision to close Mr M’s card accounts. The account terms included:

“This agreement is open ended and has no fixed duration. You and we can end it without giving any reason ...

“We can do this by giving you at least two months’ written notice ...”

The account terms said too that Amex could cancel any supplementary card in a similar way. Mr M has referred to section 98 of the Consumer Credit Act 1974, but that only applies to fixed-term credit agreements, which does not include credit card agreements. I am satisfied therefore that Amex was within its rights to decide to close Mr M's card accounts and to cancel supplementary cards on giving him two months' notice.

Mr M has said, because he was unable to use his credit cards after 22 March 2024, closure was, in effect, immediate. I can see his point here – the effect on him was largely the same – but the account terms did allow Amex to suspend an account in certain circumstances. It has explained to this service – in confidence, as our rules allow – why it felt it necessary to do so in this case. In the circumstances, I am satisfied that it was within its rights to suspend the accounts.

The account terms also explained that, if Amex were to close an account: the cardholder would no longer earn Avios; any Avios not showing on Rewards Account would be lost; and any Avios already in the Rewards Account would be transferred to the customer's British Airways Executive Club account. Mr M's account statements show that he continued to earn Avios during the notice period – which he would not have done if the account had in fact been closed with immediate effect.

Mr M says however that Amex wrongly transferred Avios and Tier Points together, when they should have been transferred separately. The Tier Points offer said:

“Tier Points will appear on your billing statement as Avios within three business days from the qualifying spend. When your Avios are swept to the British Airways Executive Club, these Avios will be automatically recognised as Tier Points and awarded to your British Airways Executive Club account six days prior to your statement date. These will not count towards your Avios balance in the British Airways Executive Club.”

Mr M's account statements showed a total of Avios, broken down into spending with British Airways, spending other than with British Airways, and Tier Points. That gave a total of Avios earned. That appears to me to be consistent with the statement that Tier Points would appear as Avios on the account statement.

Mr M's Executive Club statements appear however to show only Avios being credited – not Tier Points. That is, Tier Points do not appear to have been recognised separately from Avios, although the number of Avios credited matches the number transferred. It seems then that any difference between how Amex said Tier Points would be recorded and how they were actually recorded is a matter for Mr M to take up, if he wishes, with British Airways Executive Club. Amex transferred both types of point in the way it said it would.

Finally, I note that Mr M has said that Amex discussed his account with a family member. I believe there was a brief reference to him in a telephone conversation, but it does not appear that anything was disclosed that was not already known to that family member. I do not believe therefore that there was any breach of confidentiality.

My final decision

For these reasons, my final decision is that I do not uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 January 2025.

Mike Ingram
Ombudsman