

The complaint

Mr A has complained that American Express Services Europe Limited (AESEL), trading as American Express ('Amex'), unfairly declined a series of transactions he tried to make. This was after being told to make a purchase before he could carry out a balance transfer.

What happened

On 10 June 2024, Mr A called Amex to ask about making a balance transfer. On this call, he was told that Amex wouldn't accept a balance transfer that would put his account in credit, so he'd need to make a purchase first.

So, on 22 June 2024, Mr A tried to make a purchase for £15,000, but this was declined. He then tried to make two slightly smaller payments, but these were declined too.

Mr A contacted Amex and was told his card limit was £5,000. He was unhappy with the reasoning given on the call, so asked to cancel his card, which Amex did.

Mr A later complained to Amex about what had happened, and as he was unhappy with its response, he brought his complaint to our service.

One of our investigators looked into what had happened, but didn't think the complaint should be upheld. He explained that the type of card Mr A held was a charge card. It didn't have a fixed credit limit. Instead, the spending power of the card was dynamic, meaning it could change depending on spending and repayment history. Based on this, Mr A's spending limit was set at £5,000 at that point.

Our investigator said that he'd reviewed everything he'd been provided with, but couldn't see anywhere that Mr A had been told he could make a purchase for £15,000. And, when he was correctly told to make a purchase prior to the balance transfer, as he couldn't make a transfer that put his account in credit, Amex wasn't reasonably to know the purchase he then tried to make would be for such a high amount. And it was reasonable that it was declined.

Our investigator also looked at Mr A's request to have his card reinstated. On the call, he was told it couldn't be guaranteed, but the advisor would try to put it through. Unfortunately, it transpired that the card couldn't be reinstated, as it had been cancelled at Mr A's request. He also saw that Mr A had been refunded the full annual card fee following the cancellation.

Mr A asked that the complaint be passed to an ombudsman for review, and said that the call has been doctored/edited.

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 agree with the conclusions reached by our investigator, and for the same reasons he gave.

I'm sorry that Mr A was disappointed when he was unable to make the £15,000 purchase, as it was something he'd very much been looking forward to. But I agree that he wasn't told the card would cover this amount. And when he was told he'd need to make a purchase prior to a balance transfer, Amex shouldn't reasonably have known it would be for such a high sum. I'm satisfied that it was reasonable for Amex to decline the transaction (and the two subsequent ones).

I also know it's disappointing that Amex couldn't reinstate the account. However, it was too late to do so, as it had already been cancelled at Mr A's request.

I'd also like to reassure Mr A that there's no evidence to suggest that any call provided to us has been doctored or edited in any way.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 December 2024.

Elspeth Wood
Ombudsman