

The complaint

Mr A complains that American Express Services Europe Limited trading as American Express (Amex) closed his credit card without warning.

What happened

Mr A held a credit card with Amex but hadn't used it for 12 months. Amex issued a credit card statement on 15 April 2024 and explained that as Mr A hadn't used his credit card in the previous 12 months it intended to close his account. Amex said the if Mr A used his credit card in the following 50 days his account would remain open. Amex advised that if no payment was made in that time, the account would close.

Amex issued another statement on 15 May 2024 that showed no new payments had been made from the account. The statement provided a reminder of Amex's intention to terminate Mr A's account and said he now had 20 days to make a transaction to stop the termination process.

On 15 June 2024 Amex wrote to Mr A to confirm it had taken the step of closing his account as it hadn't been used. But, Mr A used his credit card on the same date with an online retailer. Amex says the payment wasn't processed by the merchant until 16 June 2024, by which point the account had already been closed.

Mr A went on to call Amex and raised a complaint. Mr A said he hadn't received the statements Amex claimed to have issued so wasn't aware it had given notice of its intention to close his account. Mr A also pointed out he'd used his Amex card on 15 June 2024 and requested the account remained open.

Amex didn't agree to reinstate access to Mr A's credit card and didn't uphold his complaint.

An investigator at this service looked at Mr A's case. Amex provided evidence that showed it had issued the statements to Mr A online and sent him email reminders. Amex also provided copies of the statements it says were sent to Mr A. Ultimately, the investigator wasn't persuaded Amex had made a mistake or treated Mr A unfairly by closing his account and didn't uphold his complaint.

Mr A asked to appeal and provided copies of the balance update emails he'd received from Amex during the period in question. Mr A said that because the emails confirmed the balance of his account was £0 no further action was required. Mr A also confirmed he wasn't aware of Amex's decision when he used his credit card on 15 June 2024. As Mr A asked to appeal, his complaint has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

Mr A's explained he was unaware of Amex's decision to close his account prior to 15 June 2024. Mr A says he didn't receive statements Amex claims to have sent him and didn't check his online statements as he'd received confirmation that there was no balance outstanding on his account. I don't doubt Mr A's claim he didn't know about Amex's decision and that his use of the credit card on 15 June 2024 was a coincidence.

With the above said, I haven't been persuaded that Amex's decision to close Mr A's account was unreasonable or that it made an error by taking that step. Amex has explained the decision to close Mr A's account was due to inactivity and to protect him from fraud. Amex's account terms say it can close a credit card for any reason by giving at least two months' written notice.

Applying that to Mr A's case, I can see the 15 April 2024 statement confirmed Amex would take the step of terminating his account if he didn't use it within the following 50 days. The 15 May 2024 statement issued by Amex, confirmed that if no transactions were completed within the following 20 days the account would close. I appreciate 50 days' notice is less than two months, but the account closure wasn't processed until 15 June 2024 which is in line with the 60 day notice period note in Amex's terms. So whilst I understand Mr A's frustration, I'm satisfied Amex followed the terms when terminating the account.

Mr A's told us he didn't receive statements from Amex in April and May 2024. It was those statements that contained the initial notification of Amex's intentions. Mr A's sent us copies of balance emails he received from Amex that confirmed there was nothing outstanding. But I think it's fair to say that the statements provided by Amex don't just contain balances, they also include important information about the account. And, reading the balance emails Mr A received, there was nothing that said Mr A shouldn't check his monthly statement. And, the balance reminder emails contain a link to allow customers to view their statement online so I'm satisfied it would've been straight forward for Mr A to do so.

I'm sorry to disappoint Mr A but I'm satisfied that Amex issued monthly statements on 15 April 2024 and 15 May 2024 that confirmed its intention to close his account if it wasn't used. And I haven't been persuaded Amex acted unfairly by including that information on the credit card statements it issued.

Amex has provided systems evidence that whilst Mr A used his credit card on 15 June 2024, before the closure of his account was processed, it didn't receive the request for payment from the merchant until 16 June 2024. By that point, Mr A's account had already been closed – in line with the letter Amex issued on 15 June 2024. I appreciate that was a coincidence and that Mr A has confirmed he wasn't aware of Amex's decision at the time. But as I'm satisfied Amex had already terminated Mr A's account before it received the payment request from the merchant on 16 June 2024, I'm unable to agree it made a mistake by closing his account on 15 June 2024.

I'm very sorry to disappoint Mr A but as I'm satisfied Amex provided notice in its monthly statements and that its decision to terminate the account was reasonable, I'm unable to agree it's made a mistake or treated him unfairly. As a result, I'm not upholding Mr A's complaint.

My final decision

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

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

Marco Manente
Ombudsman