

The complaint

Mr A complains that American Express Services Europe Limited (Amex) unreasonably suspended and then closed his credit card account and demanded repayment in full. He says they tried to coerce him in to making a false and defamatory statement.

What happened

Mr A held credit card accounts with Amex, in both his personal and business capacities. In May 2024 his personal accounts were suspended, owing to a dispute in to how one of the business accounts was being used.

Dissatisfied with this Mr A complained. Amex responded to say that as there had been a breach of the terms of their accounts, they had suspended all accounts Mr A held with them. But they offered to remove the suspension if the outstanding balance on the business account was cleared, and Mr A took time to understand the terms of the account.

Mr A still disagreed, saying he had spoken to Amex about the transactions in dispute before they took place. But in June 2024 Amex issued notices to say they would be closing all of his accounts in two months' time. The accounts were subsequently closed in August 2024.

Unhappy with what had happened, Mr A referred his complaint to our service. He said Amex had attempted to coerce him in to making a false statement. He was concerned about the loss of his membership points, and Amex continuing to charge interest and card fees.

One of our investigators looked into what happened but didn't think Amex needed to do anything further. They thought it was likely the terms of the business account had been breached. They said that the closure was a commercial decision that Amex were entitled to make, and under the terms they were entitled to close the accounts in the manner they did.

Mr A disagreed, so the complaint has been passed to me to decide.

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.

For clarity, this decision is only considering Mr A's complaint in his personal capacity. Under the rules of our service, we can only consider individual complaints, that arise out of specific relationships with the financial businesses complained about. The dispute at the heart of this, that was regarding transactions made on one of his business accounts that Amex felt were in breach of the terms of the account.

As this business is a limited company, Mr A and his business are separate and distinct legal entities. In this decision I can only consider the actions of Amex in relation to his personal account, although I consider the dispute on his business account to be relevant background information.

Amex, like all credit providers, have a broad commercial discretion as to who they provide credit to, and on what terms. The terms of Mr A's Amex accounts allowed them to suspend accounts, and not provide further credit, while they review payments and activity.

In this case Amex have explained they were concerned about one of Mr A's business accounts being used to make payments to individuals through a e-money provider, which they considered an attempt to disguise the nature of the transaction – saying that this is a cash transaction, being treated as a payment for goods or services.

Mr A has argued that he was told by Amex that he was fine to proceed with these transactions on his business credit card. This was in his capacity as the director of one of his businesses. So, I don't intend to make specific findings on the merits of that dispute.

But for Mr A's personal credit card accounts, I see that it was reasonable for Amex to suspend the use of the account while they carried out a review. They had concerns that the business account wasn't being used in line with the terms of the account – and I can understand this extends to how the personal accounts could potentially be used. I'm satisfied this is in line with the terms of the personal accounts, and wider industry practice.

After review Amex made an offer to remove the restrictions if Mr A would clear the balance of a business card, and also took time to fully understand the terms and conditions. The repayment of the outstanding balance is related to the business, so wouldn't have an impact on the personal account. But I'm satisfied that asking for confirmation that the cardholder understood the terms isn't unreasonable.

Even if there was ambiguity, I see that by this point Amex had made their position on their terms clear, and on what basis they would continue to provide credit. I don't agree that they were asking Mr A to make a false or defamatory statement.

Mr A didn't accept Amex's offer. And Amex decided to issue the notice to close. As mentioned earlier, Amex have their commercial discretion in who they provide accounts to. And their terms allow them to close the accounts by giving at least two months' notice, which I'm satisfied they did. I don't see the decision to close Mr A's personal accounts was unreasonable. It was a legitimate commercial decision that they had the discretion to make.

It's not unreasonable that Amex continued to charge interest on any outstanding balances – even though the agreement was ending, Amex are still entitled to charge under the terms of the agreement, and I've seen nothing to suggest they'd agreed not to. And once the agreement ends, any related agreement around membership points or rewards is also ended. So, I don't see that Amex have treated Mr A unreasonably.

I've no doubt Mr A will be disappointed that Amex have closed his accounts, and I don't doubt the strength of feeling. But I'm not persuaded that Amex have done anything wrong here. On that basis, I do not see that they need to do anything further.

My final decision

My final decision is that I do not 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 9 April 2025.

Thom Bennett

Ombudsman