

The complaint

G, a limited company, complains that American Express Services Europe Limited (Amex) unreasonably suspended and then closed their credit card account and demanded repayment in full.

G is represented by a director, Mr A.

What happened

G held a credit card account with Amex. In May 2024 G's account was suspended, with Amex saying that there had been an attempt to disguise the nature of a transaction.

Dissatisfied with this Mr A complained on behalf of G, saying they had declined perfectly legitimate transactions. Amex responded to say that as there had been a breach of the terms of their accounts, they had suspended G's account. But they offered to remove the suspension if the outstanding balance on the 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 G's accounts in two months' time. The accounts were subsequently closed in August 2024.

Unhappy with what had happened, Mr A referred G's complaint to our service. He said Amex had attempted to coerce him in to making a false statement.

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 G's 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 Amex's actions in relation to G's account, rather than any accounts held by Mr A personally. 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.

Amex, like all lenders, have a broad commercial discretion as to who they provide credit to, and on what terms. In this case the terms of G's Amex accounts allowed them to suspend an account, and not provide further credit, while they review an account's activity.

In this case Amex have explained they were concerned about G's account 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. As these are treated differently under the terms of G's credit card agreement, I can see how this would be a concern for Amex.

The evidence I've seen suggests a payment was attempted from G's account to an individual's personal e-money account. That's not to say I think Mr A was deliberately trying to deceive Amex – I've seen nothing to support that he was. But I don't see that it's unreasonable that Amex do not wish to provide credit for these transactions, and I'm satisfied that this is in line with the terms of G's account. As such, I see that it was reasonable for Amex to suspend the account while they carried out a review.

Mr A has argued that he was told by Amex that he was told to proceed with these transactions and has provided correspondence where Amex were telling him that blocks were being removed, and to attempt the transactions again. So, I agree that this is inconsistent with what later happened. But I don't think this creates an obligation on them to allow these transactions through.

And from the notes provided by Amex I can see that they had spoken to Mr A about these types of transactions in January 2023 and warned that they wouldn't be permitted. So, I think Mr A would be reasonably aware that Amex were likely to decline these transactions.

After review Amex made an offer to remove the restrictions if Mr A would clear the balance of the business card, and also took time to fully understand the terms and conditions. I can appreciate how being asked to clear the balance may seem alarming, but I'm not persuaded it was unreasonable.

At this point I'm satisfied that Amex had made their position on what payments they would permit, and on what basis they would continue to provide credit. I don't agree that they were encouraging Mr A to make a false or defamatory statement.

G 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 G's accounts was unreasonable, as there was clearly a dispute over how G's account could be used which they couldn't reach agreement on. So, it's not unreasonable that Amex have declined to give further credit to G. This is 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 agreements around membership points or rewards is also ended. So, I don't see that Amex have treated G unreasonably.

I've no doubt Mr A is disappointed that Amex have closed G's account, and I don't doubt the strength of feeling he has. But I'm not persuaded that Amex have done anything wrong here.

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 G to accept or reject my decision before 9 April 2025.

Thom Bennett
Ombudsman