

The complaint

Miss R complains that American Express Services Europe Limited (“Amex”) closed her credit card account without explaining why it had done so, and that it wrongly told her that she could continue to use the card pending closure.

What happened

On 14 August 2024 Amex wrote to Miss R to tell her that her credit card account had been suspended and that it would be closing the account with effect from 13 October 2024.

Miss was not happy with that decision and contacted Amex, including by phone and online chat, for more information about the reasons for it and the effect on the account in the meantime. In the course of those conversations she was told that the account had been suspended pending receipt of know your customer (KYC) documents and that the card could still be used. Miss R observed that she had not been told what documents were required and that she was not in fact able to use the card.

Amex accepted that it had not communicated accurately with Miss R and sent her a cheque for £50 in recognition of that. It was not in fact conducting a KYC review, and Miss R’s account was suspended and could not be used.

Miss R complained to this service, where one of our investigators considered what had happened. She issued a preliminary assessment in which she concluded that Amex had been within its rights to suspend and close Miss R’s credit card account. She noted in her assessment that Amex had provided incorrect information but concluded that the compensation paid was reasonable in the circumstances. Miss R had said too that she should not have had to accept payment by cheque, which was inconvenient, but the investigator said that was a matter for Amex to decide.

Miss R did not accept the investigator’s assessment and asked that an ombudsman review the complaint.

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, however, I’ve reached the same overall conclusion as the investigator did, and for similar reasons.

Some of Amex’s evidence has been submitted to this service with a request that it be kept confidential and not disclosed to Miss R. Our rules allow to accept evidence in confidence, and I am satisfied that Amex’s request was reasonable in this case.

Financial service providers can generally decide, as a matter of their own commercial discretion, whether to provide or continue to provide, services to any customer. As long as that discretion is exercised legitimately, we will not usually intervene. I do not believe there is

any reason to do so in this case. I also believe that the manner in which Amex exercised its discretion in this case – by immediate suspension of the account pending closure – was reasonable.

However, even if Amex was not willing to disclose in full its reasons for deciding to close the account, it should not have told Miss R that it was doing so because of a KYC review. That gave her the impression that, by providing information, she might be able to have the decision reversed. And neither should Amex have suggested that the credit card could still be used in the weeks before the scheduled closure of the account.

I have therefore considered whether the compensation of £50 offered is sufficient in the circumstances. It is, I think, towards the bottom of the range which I think is reasonable, but remains fair in all the circumstances. I can understand why Miss R would rather receive payment by bank transfer, but I agree with the investigator that it is primarily for Amex to decide how it should make payment. I am not aware of any reason why Miss R cannot accept a cheque payment. In this case, Amex will have verified Miss R's home address as part of its account opening or ongoing KYC processes, but is unlikely to have information about her bank account. Amex knew that a cheque sent to Miss R's address was almost certain to reach her. And, since a cheque can usually only be paid into an account in the name of the payee, it is very often a more secure payment method than a transfer.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 24 September 2025.

Mike Ingram

Ombudsman