

The complaint

Mr P complains that American Express Services Europe Limited (AMEX) unfairly closed his account.

What happened

Mr P had a credit card account with AMEX. He complained that his account was closed without proper notice. He said AMEX explained this was because he didn't respond to emails requesting important information. However, Mr P maintains he never saw these emails, as they were automatically diverted to his junk folder rather than his inbox.

Mr P said the closure affected his ability to manage his cash flow and resulted in a hard search being recorded on his credit file. He said the situation was unjust and caused him distress and embarrassment.

To put things right, Mr P said he wants his account re-opened with the original credit limit, terms, and benefits. He also wants a formal apology and acknowledgement of AMEX's failings, along with compensation for the distress and inconvenience caused.

In June 2025, AMEX issued their final response to Mr P's complaint, which they did not uphold. In summary, AMEX said they contacted Mr P on many occasions via email and letter requesting information. They said the correspondence advised him of the consequences of not providing the information and that this was supported by the terms of the account.

Unhappy with their decision, Mr P brought his complaint to our service, where it was passed to one of our investigators to look into.

Within their file submission, AMEX said that following a review of Mr P's account, they requested some identification information from him. They said they made two requests in December 2023 and followed this up with a notice of termination in January 2024, as they had not heard from him. They suspended his account in March 2024, wrote to him again, and scheduled the account closure for 29 April 2024, having still had no contact from him.

Mr P emailed the investigator to say that he told AMEX the emails went into his junk folder and that he did not receive any letters about the matter. He said AMEX incorrectly advised him to apply for another card, which he did, but was declined. Mr P said he raised a complaint about this and received £150 in compensation from AMEX for their mistake in advising him to re-apply.

In November 2025, our investigator issued their view and recommended that Mr P's complaint should be upheld. In summary, the investigator concluded that AMEX should have used other means of communication, given the severity of the consequences of non-response. The investigator advised Mr P that AMEX were unable to reinstate his credit card account and so recommended that AMEX pay Mr P £350 in compensation for the distress and inconvenience caused.

AMEX accepted this recommendation. Mr P did not. He said the amount of £350 was inadequate and that AMEX should open a new account for him. However, as the investigator's view remained unchanged, Mr P asked for his complaint to be referred to an ombudsman for a final 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.

In considering what is fair and reasonable, I've thought about all the evidence and information provided afresh, and the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

My starting point is that the Financial Conduct Authority (FCA) imposes a regulatory obligation on financial businesses to "take reasonable steps to ensure that it is in possession of sufficient personal and financial information about that customer relevant to the services that the firm has agreed to provide."

Given what the FCA expects from financial businesses, I'm satisfied that AMEX were acting fairly in requesting the information they did from Mr P.

Following the investigator's view, both parties agreed with the findings. AMEX accepted the investigator's view on the complaint and agreed to pay Mr P £350 in compensation for what had happened. Mr P also accepted the findings of the investigator. So, I don't consider the outcome of the complaint to be in dispute. What appears to be in dispute is how the complaint should be best resolved.

Having reviewed the details of the complaint, I'm of the same opinion as the investigator that AMEX should have done more to ensure Mr P was notified of the pending action to close his account.

To resolve matters, the investigator recommended that AMEX pay Mr P £350 in compensation for the distress and inconvenience caused. However, Mr P felt this was inadequate and wanted the account reopened, or at least guarantees that, if he were to reapply, his application would be accepted and that he would have the same privileges as before.

However, although AMEX should look to put things right for Mr P, due to the time that has passed since the account was closed (around August 2024), and the potential changes in Mr P's circumstances, I don't think it would be reasonable to expect AMEX to reinstate a credit card account for him with the previous limits in place.

I also don't think it would be reasonable for AMEX to have to provide guarantees that a credit application would be granted, or that specific features, benefits or privileges would apply. Having considered all the circumstances of the complaint, I think the fairest resolution is to compensate Mr P for the inconvenience caused.

In his complaint form, Mr P described the embarrassment he felt over the situation and the inconvenience it caused him in managing his money. Mr P also mentioned the impact on his credit file after being incorrectly advised to reapply for the account. However, I note this was the subject of a previous complaint, for which Mr P received compensation.

Given all the circumstances, I don't doubt that AMEX's actions caused considerable inconvenience to Mr P. However, I agree with the investigator that £350 fairly recognises this. I've seen no evidence that Mr P has been financially or materially impacted to an extent that warrants an increased amount of compensation, so I'll be instructing AMEX to do the same.

My final decision

My final decision is that I uphold Mr P's complaint about American Express Services Europe Limited and instruct them to:

- Pay Mr P £350 in compensation for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 February 2026.

Benjamin John
Ombudsman