

The complaint

Mrs J complains that American Express Services Europe Limited (AESEL) trading as American Express (Amex) suspended her account.

What happened

Mrs J has had an Amex account for many years. Amex sent her a communication advising her that her account had been suspended. Mrs J said she spoke to Amex over the phone about the suspension of her account, but she didn't want to provide her personal information over the phone which they asked for. Mrs J says she had no previous communication from Amex that she needed to give them this information. Mrs J made a complaint to Amex.

Amex did not uphold Mrs J's complaint. They said they needed the information they requested from Mrs J to fulfil their Know Your Customer (KYC) requirements. They said when they are unable to fulfil their KYC requirements then they take a policy decision that they will exit the relationship and either suspend or close an account. Amex quoted a section of the credit agreement which they say entitle them to take this type of action. Mrs J brought her complaint to our service.

Our investigator did not uphold Mrs J's complaint. He said Amex were within their rights to suspend her account as per the credit agreement. He said that as Mrs J did not provide the requested information after 64 days and five notifications sent by Amex, as they were obliged to request this information in line with their Financial Conduct Authority (FCA) obligations in regard to KYC checks, then they suspended the account.

Mrs J asked for an ombudsman to review her complaint. She made a number of points. In summary, she said that she didn't receive any letters from Amex and her account was suspended after she had made it clear to them that she had no idea what information Amex required or the reasons why they needed this. She said she received generic letters from Amex that never stated what was required or how to fill in the information that they needed.

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.

Firstly, I'm aware that I've only summarised Mrs J's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

As Mrs J has said she didn't receive the prior communications from Amex, I asked Amex to provide system evidence of her registered details so I could ensure they matched the details that Mrs J provided to this service. Amex sent our service a system screenshot showing her

registered address and the information matches what Mrs J has provided to our service. The email address they told us also matches Mrs J's email address that she told us.

While Amex have been unable to provide me with the communication they sent Mrs J as they say this is automated and sent by their system, I can see system evidence with date stamps that they sent Mrs J on 31 August 2022 a *"KYC refresh"* email. This was followed up with another email on 30 September 2022 which their system shows as a *"Final Reminder AML (Anti Money Laundering) servicing letter"*, a *"direct mail"* letter on 1 October 2022 with a *"Final Reminder AML servicing letter"* reference, a 3 November 2022 email with a reference on their system of *"Suspension AML servicing letter"*, an email with a reference of *"First Cancellation Warning AML servicing Email"* on 5 December 2022. On 7 January 2023, I can see that Amex sent Mrs J an email and a letter on this date with their reference of *"Second cancellation warning AML servicing (and then letter or email, depending on the method sent)"*.

So although Mrs J says she didn't receive these letters, I'm satisfied that Amex have sent them to her as these are date stamped on their system and her address (postal and email) matches the information she provided to our service. As a result, I can't hold Amex responsible for any postal or delivery issues as this would be outside of their control.

I have listened to the call which Mrs J had with Amex on 3 November 2022, where Mrs J lets them know her account has been suspended. The call handler says *"this is for the American Express erm periodic review, that erm, we did not receive the account information update from you, so I can go ahead and update your account, erm, information, I just need to ask you questions, and then after an hour your account will be activated"*. Mrs J replies *"ok"*.

The call handler says *"I also need to ask your annual income, the source of income, and occupation"*. Mrs J says that she is not telling the call handler her annual income. The call handler says she can just give her an estimate of her annual income because that is part of the information that they need to update her account. Mrs J reiterates that she is not going to give the call handler that information. The call handler indicates she could get the other information. Mrs J asks what other information is needed, the call handler tells her and Mrs J asks if she is joking, as she feels she is being scammed and it doesn't feel right. Mrs J tells the call handler her profession, and the call handler says there is no way for her to proceed, but before she can finish her sentence Mrs J says she's not giving the call handler her income and the call handler doesn't need to know that.

The call handler tells Mrs J that she will make a note on the system that Mrs J is not comfortable with providing her income, but there is no way for her to continue the updating of her account. Mrs J says that Amex can't possibly be suspending her account on that basis (of her not providing her annual income). The call handler confirms that as a financial institution they need up to date information, and Mrs J says they don't need her income and she will report them to our service. The call handler explains that she has made a note on the system, but she would have to leave the account as it is.

I must make it clear to Mrs J that it is not within this service's remit to tell a business how they should satisfy themselves that they are meeting their legal and regulatory requirements, such as their KYC/AML requirements. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Amex to make changes to their policies and procedures, if necessary.

The account was suspended before Mrs J made the call to Amex. I'm satisfied that after listening to the call that the call handler had made it clear they needed certain information from Mrs J in order to remove the suspension from her account. So even if Mrs J did not receive the information request from Amex via post or email prior to this call, I'm satisfied

that she would be left in no doubt what they needed from her by the end of this call. Although Mrs J felt she was being scammed, she had called Amex's phone number and this wasn't an unsolicited call from them, so she should have reasonably been aware that it wasn't a scam. The call handler explained they had conducted a periodic review. This is a common thing for lenders to do, to ensure they are still meeting their AML/KYC requirements.

I've noted the strength of feeling that Mrs J had that she didn't want to give the call handler this information, but I'm not persuaded that Amex were unreasonable to ask her for these details. And it was very clear to Mrs J that they would need this information to remove the suspension. And as Mrs J did not provide this to them, then this is why they did not remove the suspension.

I've looked at the credit agreement that Mrs J entered into with Amex. There is a section on the credit agreement about suspending her account. This shows they can suspend her account if they reasonably believe that by allowing the use of the account they might breach a law, regulation, code, other obligation, or face action from a government, law enforcement agency or regulator. So I'm satisfied that Amex were entitled to take the action that they did to suspend her account when Mrs J didn't give them the information that they asked for. Looking at the system notes I can't see she provided them with this information prior to them closing her account in February 2023. So it follows that I don't require Amex to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 31 October 2023.

Gregory Sloanes
Ombudsman