

## The complaint

Mrs L complains that American Express Services Europe Limited (Amex) closed her credit card account without notice or explanation.

## What happened

In this case Mrs L has appointed a representative, but for ease of reading I'll solely refer to Mrs L in this decision.

Mrs L held a credit card account with Amex, which was used for general spending. But on 14 May 2022 Amex wrote to her to say that they had closed her account with immediate effect. They said the outstanding balance was now payable in full within 28 days, and if not repaid they may record the account as defaulted with the credit reference agencies. They later confirmed they'd passed the debt on to an external debt collection agency.

Unhappy with this Mrs L raised a complaint with Amex, saying she was informed her account was under review and to wait a few days for an investigation. She said several days later she'd been told her account was closed, and Amex refused to give any further information. She found the customer service to be uninterested and offhand with her.

Amex responded to this to say they had closed her account in line with the terms of the account but didn't offer up any further details. They later followed up to say they did not feel the customer service was of a poor standard.

Mrs L then referred her complaint to our service. One of our investigators looked into what happened, and thought Amex hadn't been fair. They said it was reasonable for Amex to have reviewed Mrs L's account and restricted it while this was going on. But they weren't satisfied that the immediate closure was in line with the terms of the account – and they should have given Mrs L 60 days' notice before they did. They suggested Amex pay her £150 for the inconvenience.

This was accepted by Mrs L, but Amex disagreed. As no agreement could be reached the complaint was passed to me to decide.

Upon review I issued my provisional decision, which said the following:

*Amex, like all firms that provide credit to people in the UK, have many legal and regulatory obligations to meet while providing accounts to their consumers. These can range from ensuring they have up-to-date details of the consumers to ensuring that it's still appropriate to lend to a particular individual. In the course of meeting these obligations, Amex may need to review an account. And while the review is ongoing, they may need to restrict the activity on the account, and not allow any further transactions. There's provision for this in the terms of Mrs L's Amex account, and this isn't unreasonable in itself.*

*Sometimes these reviews will lead to Amex deciding they don't want to continue to provide credit. This will generally be a commercial decision for them to make – but if they do decide to close an account, then they should do so in line with the terms of the account.*

*Amex aren't under any specific obligation to explain to Mrs L why they've decided to review and then close her account, and in this case have decided not to. I've no doubt that when Mrs L spoke to Amex about the closure it would have been unhelpful. But as they're not obliged to discuss the reasons for the closure, there would be very little Amex could speak to her. I understand the frustration, but I don't see Amex have done anything significantly wrong by this.*

*But Amex have provided their reasoning for the review and closure to our service. Our rules allow us to treat certain evidence submitted in confidence. It wouldn't be appropriate for me to go into detail about why Amex initially reviewed Mrs L's account. But I'm satisfied that the reasons for the review and subsequent closure are reasonable.*

*The terms of the account also allow Amex to close the account. Generally, this would require two months' notice to be given, but in this case, Amex didn't provide any further notice and requested immediate repayment. The terms of the account allow this only in limited circumstances. Having considered the circumstances of the complaint, I'm satisfied that the manner in which the account was closed was appropriate.*

*I thought carefully about whether two months' notice should have been given – but I'm also minded that as this was a credit card Amex are within their rights to choose not to lend any further. Even if they had provided notice this wouldn't necessarily have meant Mrs L would have had use of the card for those two months. It does seem hasty to demand full repayment within 28 days and appoint a debt collection agency. But from what Mrs L has sent us the outstanding debt was settled by 23 May 2022 – so I'm not persuaded this had a material impact on Mrs L.*

*I appreciate Mrs L would like to know more, and it will have been frustrating to suddenly find herself without the use of her credit card. But I'm not satisfied that Amex have acted unfairly or unreasonably here. They are entitled to review and close accounts, and I'm persuaded they have done so in line with the terms of the account. From reviewing the statements, I can see they've carried out a partial refund of the annual card fee for the unused portion, and I think that's fair.*

I did not ask Amex to do anything further. Neither party responded to my provisional decision before the deadline, so it now falls on me to issue my 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.

Having done so, and in the absence of any new evidence or points for consideration, I remain satisfied with the conclusions reached in the provisional decision.

It was reasonable for Amex to review and ultimately close Mrs L's account, and I'm satisfied they did so in line with their account terms. While I can understand Mrs L's frustration, I don't see that she's been treated unfairly. As such Amex do not need to do anything further to resolve this complaint.

### **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 Mrs L to accept or reject my decision before 24 November 2023.

Thom Bennett  
**Ombudsman**