

The complaint

Mr S complains that American Express Services Europe Limited (AESEL) didn't treat him fairly resulting in his account being closed and him losing out on £363 of rewards.

What happened

Mr S received a letter from AESEL saying his account had been suspended and requesting he send in certain documents within 14 days. Mr S says he forgot to do this and wasn't sent a reminder. He then received a further letter dated 13 November 2022 from AESEL saying it had reasonable grounds to believe he was unable or unwilling to pay his debts and this was a breach of the agreement. Mr S says he has always paid his debts and because his account was closed, he lost out on £363 of rewards that had accrued on the account. Mr S says the letter was threatening and this experience has been very upsetting.

AESEL issued a final response on 7 December 2022. It said that it reviews accounts held with it on a regular basis and that Mr S's account was selected for a credit review. It contacted Mr S requesting he provide certain financial information for it to complete its assessment, but this wasn't received. It said that the account terms and conditions set out that if it closes a credit card account the customer will lose the cashback that has been earned to date but not applied to the account. Given this it didn't uphold this part of Mr S's complaint. AESEL did however find that there had been some issues in regard to an issue raised in February 2022 which was resolved but it didn't follow its process as it would have liked, and that Mr S's complaint could have been raised on the call on 22 November to save him having to write in. It apologised for these issues and said feedback had been provided.

Mr S referred his complaint to this service. Our investigator didn't uphold this complaint. She noted that Mr S hadn't provided the information that AESEL had requested and didn't think that AESEL had acted outside of its terms, or treated Mr S unfairly, when it closed the account.

Mr S responded to our investigator's view. He noted that she didn't think AESEL had made any errors but said the letter it sent was not acceptable as it made unsubstantiated claims and used intimidating language. He reiterated that he had always paid the full amount owed on his credit card.

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.

Mr S is upset that his account was closed which resulted in him losing out on the cashback he had accrued to that point. I can understand why Mr S is upset but in order to uphold this complaint I would need to be satisfied that AESEL had done something wrong or treated Mr S unfairly.

I have looked at the information provided and can see that Ms S's account was selected for a credit review. Mr S has said he received a letter about providing information, but he forgot

to do this. I note his comment, but he didn't then offer to provide this information when he contacted AESEL and given the requested information wasn't provided I do not find I can say that AESEL did anything wrong by taking the action it did.

AESEL wrote to Mr S to say his account would be terminated and setting out the implications of this. Mr S has said he found this letter threatening. I acknowledge the comments Mr S has made and his point about how he maintained his payments on the account. However, in this case, as he hadn't provided the requested information, AESEL was able to take further action and it is right that it will write to Mr S to inform him of this and the consequences. So, while I can understand why he was upset by the letter, I find the letter provided Mr S with the information he needed and while I note the comment about payments I do not find that this means AESEL was wrong to take the action it did.

Mr S is upset as he had cashback accrued on his account which he then lost when the account was closed. I understand why he feels this should be refunded to him but the terms of the account set out that if an account is closed in accordance with the card account agreement then the customer will lose any cashback that has been earned but not paid to the account. So, AESEL has acted in line with the account terms in regard to the cashback and so I cannot say that it has done anything wrong or treated Mr S unfairly by not refunding him this amount.

While I can understand why Mr S was upset, I do not find that AESEL has done anything wrong or treated Mr S unfairly. Because of this I do not uphold 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 Mr S to accept or reject my decision before 12 September 2023.

Jane Archer
Ombudsman