

The complaint

Miss B complains that American Express Services Europe Limited (Amex) have closed her account without reason.

What happened

Miss B says that Amex contacted her for her to send them her bank statements which she did, but they wrote to her to inform her that they were closing her account, without giving her a reason. Miss B made a complaint to Amex.

Amex did not uphold Miss B's complaint. They said that from time to time, they may conduct reviews on any of their accounts. Amex said it is not always practical to isolate the internal and external factors that may have been responsible for this decision, and due to the complexity of the statistical analysis, they are not at liberty to discuss the details of their assessment. They said they were not questioning her financial integrity. Amex said whilst it is fair to say they are required to have certain risk management procedures in place, they could confirm that in light of the above, the decision to cancel the account was in this instance reasonable and appropriate. Miss B brought her complaint to our service.

Our investigator did not uphold Miss B's complaint. She said she was unable to share specifics on Amex's reasoning for closing Miss B's account as their lending criteria is commercially sensitive. However, having reviewed the terms and conditions of the account, she was satisfied their decision was made in line with these.

Miss B asked for an ombudsman to review her complaint. She said she received a Subject Access Request from Amex, and their notes show that the reason for the account closure is because of her income. She said her income is exactly as she told them, and she clearly does meet their criteria.

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.

Lenders have a number of regulatory duties that they must follow at the outset of a relationship with a customer, but also on an ongoing basis. So from time to time they may conduct reviews to fulfil these duties. But lenders may have their own internal criteria's at which they are comfortable lending to customers. And this can be fluid in the sense that their internal criteria can change over time. And what they once viewed as acceptable risk can change due to a number of internal and external factors.

I know that Miss B has received information from Amex, and I've read what she's said about the income is exactly what she told them, and she meets their criteria. But I'm unable to comment on the exact reasoning that Amex have taken the decision to close her account. This is because this is commercially sensitive. And factors they consider when lending can change over time. Amex state in their response to Miss B that "*Please be advised we are not questioning your financial integrity*".

Based on the terms and conditions Miss B agreed to, Amex do have the right to close Miss B's account without notice in certain scenario's, so I can't say they made an error by exercising their power to do this here despite Miss B sending them bank statements as Amex asked for. So while I can empathise with the position Miss B found herself in, 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 Miss B to accept or reject my decision before 14 February 2024.

Gregory Sloanes
Ombudsman