

## **The complaint**

Mrs and Mr N are unhappy that American Express Services Europe Limited (AESEL) closed their account and didn't allow them to redeem points that were present on the account.

## **What happened**

In June 2022, Mrs and Mr N received a letter from AmEx which explained that AmEx were no longer willing to accept cash or cheque payments and that their account could be closed if they made such payments in the future. In October 2022, Mrs and Mr N made a cash payment towards their AmEx account, and in early November 2022 they received a notice from AmEx that their account would be closed in 60-days because of this.

Upon receiving this letter, Mrs and Mr N contacted AmEx and said that they didn't want their account to be closed. Mrs and Mr N then spoke with an AmEx manager who apologised for what had happened and credit their account with 10,000 membership reward points for the inconvenience. The AmEx manager also explained that they would be contacting the relevant department to discuss the closure of Mrs and Mr N's account.

Mrs and Mr N chased an update from AmEx on several occasions over the next few months but with no success. And on 5 January 2023, Mrs and Mr N's account was closed by AmEx, in line with the 60-day notice period they had previously been given. Mrs and Mr N weren't happy about this, so they raised a complaint.

AmEx responded to Mrs and Mr N and said they didn't feel that they'd acted unfairly by closing Mrs and Mr N's account. But they did accept that Mrs and Mr N had been incorrectly told when they'd called that their account wouldn't be closed. AmEx apologised to Mrs and Mr N for this and made a payment of £100 to reduce the outstanding balance of their account as compensation for any trouble or upset this may have caused. Mrs and Mr N weren't satisfied with AmEx's response, especially as they were no longer able to redeem the points that had been present on their account at the point of closure. So, they referred their complaint to this service.

One of our investigators looked at this complaint. They didn't feel that AmEx had acted unfairly by closing the account and noted that they'd allowed Mrs and Mr N to redeem the points on the account for a month following the account closure, but that Mrs and Mr N hadn't acted to redeem the points during that time. However, they didn't feel that the £100 that AmEx had paid to Mrs and Mr N provided fair compensation to them for the trouble and upset they'd incurred surrounding their being incorrectly told their account could remain open, and so they recommended that AmEx should pay Mrs and Mr N a further £100, for a total compensation amount of £200.

Mrs and Mr N remained dissatisfied and noted that they had contacted AmEx during the month after the account had been closed but they no one would help them until a response to their complaint had been issued – which was only issued after the month-long period had ended. So, their complaint was escalated 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.

I issued a provisional decision on this complaint on 9 October 2023 as follows:

*When Mrs and Mr N received the letter dated 3 November 2022 which advised them that their account would be closed in two months, they called AmEx about this. Mrs and Mr N spoke with an AmEx manager on 10 November 2022 about the matter and at this time it was confirmed to them that their account wouldn't be closed. And AmEx have referred to this point themselves in their complaint response letter which explained that Mrs and Mr N were incorrectly informed on 10 November 2022 that their account could remain open.*

*AmEx have confirmed to this service that Mrs and Mr N were incorrectly told that their account could remain open and that the truth of the matter was that this wasn't possible – because AmEx had already made the decision to close Mrs and Mr N's account.*

*Ultimately, it isn't for this service to instruct a business to provide its service to consumers which that business has made the decision to not provide service to. AmEx issued a notice to Mrs and Mr N that they were no longer willing to receive cash payments into accounts and that accounts could be closed by AmEx if cash payments were made into them. And Mrs and Mr N did make a cash payment into their account after that notice was received. As such, I'm satisfied that it was fair and reasonable for AmEx to make the decision to close Mrs and Mr N's account. And it isn't AmEx's fault if either Mr or Mrs N weren't aware of the notice that cash payments were no longer acceptable which AmEx had sent to them.*

*As such, I won't be instructing AmEx to reinstate Mrs and Mr N's account as they would like here. However, it's clear to me that Mrs and Mr N didn't receive a reasonable standard of service from AmEx surrounding the closure of their account, and so I will be provisionally upholding this complaint in their favour and instructing AmEx to pay compensation to them for the poor service they received and the trouble and upset that they've incurred as a result.*

*This includes not only the incorrect information that Mrs and Mr N received on 10 November 2022 that their account could remain open, which unfairly gave them a false expectation as to how this matter could be resolved. But also, the lack of call backs that Mrs and Mr N received following that call, both before and after their account was cancelled in January 2023. And it's evident from the recorded calls I've listened to between Mrs and Mr N and AmEx that this lack of engagement from AmEx was greatly distressing for them and caused them to have to chase AmEx on several occasions – usually without success.*

*Our investigator recommended that AmEx should pay a further £100 to Mrs and Mr N for the frustration and trouble they'd incurred. However, in consideration of this prolonged upset and inconvenience which I feel that Mrs and Mr N have unfairly incurred here, I don't feel that a further £100 does provide fair compensation. And so, my provisional decision is that AmEx must make an increased compensation payment of £500 to Mrs and Mr N, further to the £100 credit that AmEx applied to their account balance before it was closed. This payment of £500 must be paid to Mrs and Mr N directly to a bank account of their choosing.*

*Finally, given that AmEx incorrectly indicated to Mrs and Mr N that their account could remain open – so that Mrs and Mr N weren't reasonably aware that they needed to redeem the points present on the account before it was closed – AmEx must also allow Mrs and Mr N to redeem any points that were present on the account at the time of closure. And while I note AmEx's position that they allowed Mrs and Mr N a further 30-days to redeem the points on their account, I find Mrs and Mr N's explanation – that no one at AmEx would help them*

*with this while their complaint was ongoing – to be persuasive.*

Mrs and Mr N responded to my provisional decision and confirmed that they were happy to accept the spirit of my decision but wanted confirmation that they would still receive the monetary value of the points as they no longer hold an AmEx account.

AmEx also confirmed that they were happy to accept my provisional decision. And when I asked AmEx about the cash value of Mrs and Mr N's unredeemed points, they confirmed that Mrs and Mr N hold 660,265 points, for which the cash value is £2,641.06. However, AmEx noted that Mrs and Mr N would most likely get better value by transferring the points to one of their partners, if that option was available to them.

This led me to issue an amended provisional decision on 27 November 2023 as follows:

*AmEx must allow Mrs and Mr N to redeem the 660,265 points present on the account at the cash value of £2,641.06. However, if Mrs and Mr N confirm in response to this provisional decision that they want to transfer their points to one of AmEx's partners, then AmEx should help to facilitate this for them instead.*

*AmEx must also make a payment of £500 to Mrs and Mr N, to a bank account of their choosing, as compensation for the upset and inconvenience that they've incurred.*

Both Mrs and Mr N and AmEx confirmed that they were happy to accept my provisional decision. Mrs and Mr N also provided details of how they would like to proceed, including transferring 100,000 points to one of AmEx's partners. This information will now be passed to AmEx, who should contact Mrs and Mr N directly to facilitate their wishes.

### **Putting things right**

AmEx must allow Mrs and Mr N to redeem the 660,265 points present on the account at the cash value of £2,641.06. However, if Mrs and Mr N confirm in response to this provisional decision that they want to transfer their points to one of AmEx's partners, then AmEx should help to facilitate this for them instead.

AmEx must also make a payment of £500 to Mrs and Mr N, to a bank account of their choosing, as compensation for the upset and inconvenience that they've incurred.

### **My final decision**

My final decision is that I uphold this complaint against American Express Services Europe Limited (AESEL) on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N and Mr N to accept or reject my decision before 17 January 2024.

Paul Cooper  
**Ombudsman**