

The complaint

Mr R says American Express Services Europe Limited (AESEL) unfairly closed his account.

What happened

Amex was reviewing Mr R's account and asked for some financial information. But it closed his account prior to receiving the information it had requested, which it then did not review.

Mr R says he has now disclosed personal information to Amex for no purpose and he has been unable to benefit from the cashback on the card. He feels Amex did this deliberately to get his bank statements as he made a complaint about them before. He wants the card to be re-issued, a guarantee it will never be cancelled and compensation.

Our investigator issued two assessments. I will summarise only the second as that is the latest view from this service. She said Amex wrote to Mr R on 3 May 2021 telling him it was reviewing his account and asking for him to provide some information within 14 days. As Amex didn't receive this in time it closed his account on 18 June 2021. But Mr R shared an email from Amex dated 8 June 2021 giving him a further 14 days to send in the information. So a new deadline was set of 22 June 2021 – but as the account had been closed on 18 June 2021 Amex did not review the information when it received it on 22 June 2021.

She also noted there had been some confusion about the format Amex needed the information to be in. For the conflicting information Amex provided, acting before the revised deadline, and the fact this ended up with Mr R's account being closed – which may or may not have been the outcome of the review – she recommended Amex pay Mr R £300 compensation. She explained she could not order Amex to reopen the account in the circumstances.

Amex accepted this view.

Mr R asked for an ombudsman's review. He said Amex never gave him proper deadlines, and he wants to know why Amex didn't review his information once it had received it. He wants more compensation for the trouble and loss of money this has caused him.

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 I am upholding Mr R's complaint.

The facts of this case are no longer in dispute, and are summarised above. What remains in dispute is the fair way for Amex to recognise the impact of what happened on Mr R. I would first say though that I have found no evidence to support Mr R's claim that Amex only wanted to obtain his financial information because he had brought another complaint about it to this service. I am satisfied its request for the information was made on valid grounds, as part of a standard account review.

I also disagree with Mr R's point that Amex never gave him a deadline. I think it did, twice, but it then failed to adhere to the second deadline of 22 June 2021. It should have reviewed Mr R's information as it arrived on that date. It says it did not as the account was by then closed. This was a failing. However, I cannot know what the outcome of that review would have been. And so it would not be responsible for me to instruct Amex to re-issue Mr R's card given the time that has passed and the fact it involves lending. Mr R could contact Amex directly if he wishes to apply for a new account.

With regards what Amex should do to put things right, I think a £300 award is proportionate. I have taken into account the trouble and inconvenience Mr R suffered. He also raised he has lost money as the card had a cashback offer, but as I cannot know whether his account would have been closed or not if the information had been reviewed, nor how he would have spent on the card, I do not find there had been an actual financial loss. We do not take into account potential or hypothetical losses.

Putting things right

Amex must pay Mr R £300 compensation, as it has agreed to.

My final decision

I am upholding Mr R's complaint. American Express Services Europe Limited (AESEL) must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 January 2023.

Rebecca Connelley
Ombudsman