

## **The complaint**

Mr K is unhappy that American Express Services Europe Limited (AESEL) (Amex) asked him to provide personal information about himself and blocked his account when he didn't provide the information. He is also unhappy about the customer service he received throughout the process.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reason for my decision.

## **What I've decided – and why**

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I've decided to not uphold this complaint. I'll explain why:

- Amex has extensive legal and regulatory responsibilities they must meet when providing account services to its customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.
- As has been explained by Amex and the investigator, the reason why Amex asked Mr K to provide information about his finances is because Amex are obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities. Amex is entitled and obliged to carry out such checks in order to comply with its legal and regulatory obligations. This applies to both new and existing customers regardless of how many years a customer may have held an account with Amex.
- I appreciate that Mr K felt the information that Amex requested was intrusive and unnecessary. He also suspects the request was simply a marketing exercise to help Amex be more successful in directing products at its customers. Mr K has also argued that KYC obligations doesn't require Amex to know how much he earns and his occupation.
- The information Amex was asking Mr K to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to KYC responsibilities. It's not in my remit to determine what questions Amex should ask its customers to ensure it adheres to its these responsibilities. There's no fixed set of questions or period between each customer update request, and they are usually done to reflect the changes in the economy, technology or tactics employed by criminals to

commit financial crime.

- Amex is required to have up to date information about its account holders including details on their identity, address, and source of wealth, in order to comply with its legal and regulatory obligations. So, whilst I can appreciate Mr K's point of view about the necessity of the information Amex requested, I can't reasonably say that Amex was acting unfairly or unreasonably in asking Mr K for the information that it did.
- Mr K says Amex threatened to suspend and close his account if he didn't provide the information it had requested. He says this was stressful and he had to spend time speaking to Amex to understand why it wanted the information. And on what basis it was able to ask him for it. He says Amex didn't explain clearly why it wanted the information and he made his own enquiries regarding KYC requests which contradicted what Amex told him about why it needed to know how much he earned and his occupation.
- Amex has provided evidence to show that it had repeatedly written to Mr K since July 2023 to request information about Mr K's salary and occupation. I can also see that Amex told Mr K why it wanted the information. And when it became clear that it was not going to receive that information, Amex then wrote to Mr K and explained the consequences, which was that Mr K's account could be suspended and closed. So, I can't reasonably say that Amex has treated Mr K unfairly when it told Mr K it was going to suspend and close his account. After all, Mr K had been provided with a reasonable amount of time in which to provide the information. Therefore, whilst I appreciate Mr K says Amex threatening to suspend and close his account was stressful, I can't reasonably say that Amex should pay him compensation for the distress that he experienced.
- Due to Mr K being unwilling to provide the necessary information, in September 2023, Amex froze Mr K's account and told him that if he didn't provide the information his account would be closed in 90 days. I can't say that Amex was being unreasonable by freezing Mr K's account. I say this because firstly, Amex had reasonable grounds in which to ask for the information that it had requested from Mr K – to comply with its legal and regulatory obligations. To unfreeze the account, Amex made it clear that Mr K needed to provide the requested information. As Amex could not meet its KYC requirements, I can't say that it was being unreasonable that it froze his account. Because of this, although Mr K no doubt experienced inconvenience, I can't say that Amex did anything wrong. And so, I don't think it would be appropriate to award compensation for this aspect of this complaint.
- In summary, as I've said above Amex are obliged under regulation to carry out ongoing KYC checks to protect accounts from identify theft, fraud, and financial crime. So, if they don't receive the necessary information that they request to allay those risks, I do not consider suspending and sending Mr K a notice that it would close his account is a disproportionate measure for Amex to take.

### **My final decision**

For the reasons I've explained, 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 K to accept or reject my decision before 15 May 2024.

Sharon Kerrison  
**Ombudsman**