

The complaint

Mr L complains that American Express Services Europe Limited (AESEL) unfairly closed his account without providing a proper explanation. He wants AESEL to reopen his account and give him the reasons it closed his account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr L had an international currency card with AESEL.

In February 2023, Mr L received a letter from AESEL, saying it was closing his account. And giving him two months' notice.

Mr L was shocked by AESEL's decision and suspects that AESEL has closed his account because of his political beliefs. So, he says AESEL has treated him unfairly and that there is no valid reason to close his account. He says AESEL should have consulted with him before it took the decision to close his account.

Mr L contacted AESEL to try and find out why it no longer wanted him as a customer. But AESEL gave him no reasons. It said it had closed Mr L's account in line with the terms and conditions and wasn't obliged to provide him with an explanation. It also said it didn't have to consult with him prior to making this decision.

Unhappy with this response Mr L brought his complaint to our service. He said AESEL had closed his account unfairly and explained that he suspected AESEL's decision had something to do with unverified media articles concerning his alleged political alignments. So, he wants AESEL to reopen his account.

One of our investigators looked into what had happened. After looking at all the information and circumstances of Mr L's complaint, she didn't think AESEL had treated Mr L unfairly when it had closed his account. So, she didn't uphold the complaint.

AESEL agreed with the investigator's view. Mr L didn't. He said AESEL closed his account unfairly. He wants AESEL to provide a proper explanation for why it closed his account.

As no agreement could be reached the matter has come to me to decide.

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 appreciate Mr L was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what she said about his complaint. I'd like to reassure Mr L

that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. So, I won't be addressing every point in detail which Mr L has raised in his submissions. My findings will focus on what I consider to be the central issues. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair outcome.

AESEL like banks and other financial businesses are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

I can understand it would have been upsetting and no doubt came as quite a shock for Mr L to learn his account was to be closed and no explanation given by AESEL why that was. While not trying to minimise the upset and frustration this no doubt caused Mr L, under the terms and conditions of Mr L's account, AESEL can close an account without providing a full explanation why. And it is under no obligation to consult with a customer before doing so.

That's because AESEL is entitled to close an account with Mr L just as he is entitled to close his account with AESEL. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. I've looked at the terms and conditions and they state that AESEL could close Mr L's account by giving him at least two months' notice. I've seen the notice to close letter that AESEL sent Mr L in February 2023, gave him the full notice period, so I'm satisfied that they have complied with this part.

I've next gone on to consider whether AESEL's reason for closing the account was fair. In doing so, I appreciate that AESEL are entitled to set their own policies and part of that will form their risk criteria. AESEL also need to comply with its legal and regulatory obligations when providing financial services. It is not in my remit to say what policies or risk appetite AESEL should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

I've considered carefully what Mr L has said regarding the media articles and his political alignment. Mr L has explained that a number of the articles have been the subject of corrections via his legal team. So, he says it would be unfair for AESEL to base its decision to close the account on inaccurate and misleading news stories.

AESEL has provided some further details of its decision making process, I'm sorry but I can't share this information with Mr L due to its commercial sensitivity. But I've seen nothing to suggest AESEL's decision around closing Mr L's account was unfair. I've not seen any evidence that would lead me to conclude AESEL treated Mr L differently because of his political alignment or adverse media. On balance when considering AESEL's wider regulatory responsibilities and all the information available to me, I find AESEL had a legitimate basis for closing Mr L's account and not tell him why. So, I don't find AESEL treated Mr L unfairly when it closed his account. And I won't be asking AESEL to reopen his account.

I understand of course why Mr L wants to know the exact reasons behind AESEL's decision, other than what he's been previously told. And I can see that Mr L has asked AESEL to explain itself on several occasions. But AESEL doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr L the reasons behind the account closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr L this information. And it wouldn't be appropriate for me to require it to do so.

In summary I realise Mr L will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that AESEL have treated Mr L unfairly when it closed his account.

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 L to accept or reject my decision before 26 February 2024.

Sharon Kerrison
Ombudsman