

## **The complaint**

Mr K complains that American Express Services Europe Limited (AESEL) unfairly terminated a credit card account he held with it.

## **What happened**

Mr K held a credit card account with AESEL, there was also a supplementary card on the account which was used by his wife.

In November 2022 in line with its regulatory responsibilities, AESEL wrote to Mr K seeking verification of both his identity and that of his wife in order to complete “Know Your Customer” (‘KYC’) checks.

Mr K says he received a reminder from AESEL in January 2023 requesting the information and warning that the account would be terminated if not produced. He says there was a discussion with AESEL following which documents were uploaded. However, these documents weren’t complete and so the missing information was uploaded about one week later. Mr K says he was advised that nothing further was required by AESEL.

In March 2023 Mr K says he received a letter from AESEL stating that the supplementary card had been cancelled because information hadn’t been received. The email stated that this decision wouldn’t affect the main credit card. However, a few days later he was told the credit card account had been terminated completely.

Mr K complained to AESEL and asked for his credit card account to be reinstated. AESEL didn’t uphold his complaint. It said that the information that had been supplied had been out of date and so in accordance with the KYC guidelines, the account had been cancelled.

AESEL said it wasn’t now able to reinstate the account though Mr K could choose to reapply if he wished.

Mr K was unhappy at AESEL’s response and complained to this service. He said he had been told by AESEL that he’d produced the information which had been required in January 2023 and, that the decision to terminate the supplementary card wouldn’t have any impact on the main credit card. He said the decision to terminate had been unfair and with no notice.

Our investigator recommended Mr K’s complaint should be partially upheld. She said there had actually been a number of emails sent to Mr K by AESEL between November 2022 and the decision to cancel both cards in March 2023. And that these emails had sought the information required for KYC checks and later warned the cards would be suspended and then terminated. She said that each time an email was sent by AESEL there had been one for the main card and then a duplicate for the supplementary card. And that each of the emails had set out which card it was referring to by showing the name of the user and a different account number. Our investigator said Mr K hadn’t provided the required information.

However, our investigator said that there had been confusion caused in the email cancelling the supplementary card because this had set out that this action wouldn't affect the main card when the main card had also been cancelled. She said that £100 compensation would be fair for Mr K from AESEL in respect of this.

Both AESEL and Mr K disagreed with our investigator's view. AESEL said that the KYC checks related to both of the credit cards on Mr K's account, the main and the supplementary one. It said that this meant there was double correspondence sent to Mr K for each of the cards and that the emails set out the separate reference numbers to show to which card the email applied to. And that as Mr K hadn't supplied the required information AESEL had always sent out two emails each time it had contacted him about these checks.

AESEL said Mr K had received plenty of notice about what was needed and the time limits that applied. It said that although the email cancelling the supplementary card had stated the decision wouldn't impact on the main card, an email terminating the main card had also been sent that same day. AESEL said that in these circumstances, it didn't think there should have been confusion for Mr K. It said he should have been aware each card was being reviewed under the KYC scheme and he had been warned that each card may be cancelled if the required information wasn't provided.

Mr K says that he didn't receive the number of emails AESEL says it sent out and that he has searched both his inbox and spam box and found nothing more than he had set out as received in his complaint to this service.

As the parties were unable to reach an agreement the complaint was passed to me. I issued a provisional decision along the following lines.

Know Your Customer ("KYC") is a regulatory obligation on AESEL to check its customers' identities and address verifications from time to time. This process has to be followed and so I couldn't say the requests AESEL had made to Mr K were unfair.

I'd seen that in November 2022 AESEL had sent Mr K an email for each of the credit cards he held under the account – the main one and the supplementary one- setting what was needed, the documents that were acceptable and how to provide them via an upload link. The emails also said that the documents should be provided within 14 days. Mr K accepted he had received this first email for the main card but not for the supplementary card which had a different account/reference number.

I'd also seen that AESEL had sent Mr K a reminder email about needing the requested evidence around two weeks later. This email had stated that the information must be received within the next 62 days, or the account would be closed. I'd seen that Mr K accepts he received this email for the main account though again disputed receiving one for the supplementary card.

AESEL said that at the beginning of December 2022 it had sent two further emails - one for the main card and one for the supplementary card - warning that the credit card account would be suspended if the evidence wasn't produced. And it said in January 2023 it sent an email confirming the account had now been suspended. Mr K accepted he had received the email in relation to the main card only in the January.

AESEL said that following the January emails, Mr K had made contact via his assistant who had sought help in uploading the documentation to the portal. It also said that a couple of days later, Mr K had requested the suspension was lifted from the main card because he was travelling. AESEL said that the following day, Mr K's assistant had called again and was

advised the documents hadn't yet been checked and it would take 48 hours to do so. But that in the meantime, and in line with AESEL's processes regarding travel and KYC checks, the suspension was lifted for Mr K.

AESEL said that within the 48 hours of the documents having been provided they were found to be incomplete. So, in February 2023 it said it sent Mr K two emails, one for each card, warning him each of the cards would be cancelled. Mr K accepted he had received one of these emails for the supplementary card only.

AESEL said a further reminder was sent for each card near the end of February and in March 2023 emails were sent explaining that each of the credit cards had been cancelled. Mr K accepted he had received the cancellation notice for the supplementary card only.

AESEL hadn't been able to supply me with copies of the actual emails sent to Mr K. What it had provided were the account notes for Mr K's account which showed that emails were generated and sent to Mr K for each of the credit cards as set out above. AESEL had explained that the note on the account was created automatically when the email had been sent out to the customer.

Looking at these notes, I could see that each time contact had been made with Mr K about the missing KYC information an email had been created for each of the credit cards and that each of these emails showed different account numbers. If the email related to the main card, then it showed Mr K's name and if it was about the supplementary card then it was his wife's name that was shown.

I'd seen that Mr K has strongly disputed that he had been sent the number of emails AESEL said it had sent out. AESEL said its notes were accurate because they were generated when the email had been sent.

And where evidence is missing or contradictory, I have to decide what I think is the most likely thing to have happened. Here, I thought it was more likely than not that, under its processes, AESEL had generated and sent out the emails it said it had to Mr K. I didn't know why they these emails hadn't all been received by him, but I thought it was reasonable to say that any failure in receipt wasn't due to actions of AESEL and that it wasn't aware these emails hadn't been delivered.

I therefore thought that AESEL had followed its processes regarding the KYC requirements. I was satisfied that it had made its request for the required information from Mr K from November 2022 and had only terminated the account in March 2023 when it hadn't received what was required. I was also satisfied that the evidence that had been acceptable was clearly set out to Mr K and he hadn't complied with what had been needed.

I also thought on looking at the notes of the contact between Mr K and AESEL which had also included his assistant's contact, that I couldn't see he had been advised in January 2023 that the documents that had been uploaded were correct and he didn't need to do more. AESEL had explained that the utility bill provided was too old and that the proof of address for Mr K hadn't matched the address which had been registered on the account. So, I thought AESEL had acted fairly when declining to accept the evidence as it hadn't complied with the requirements of KYC. The cancellation of the credit card account had therefore been in line with its terms and conditions. I couldn't reasonably say AESEL had acted unfairly when taking this action.

Having reached this conclusion, I disagreed with the view of our investigator that AESEL should pay Mr K £100 compensation for any confusion regarding the email stating that termination of the supplementary card would not impact on the main card. I thought that the

emails sent out by AESEL regarding the KYC requirements had been clear that they applied to each of the cards separately and so the information had been required for both Mr K and his wife.

And although, as set out above, I appreciated Mr K may not have received all the emails, this hadn't been the fault of AESEL, and it was unaware of that. I also thought AESEL had been clear with Mr K about what had been required, when by and the consequences of not doing so.

For the reasons given above, and although I appreciated this would be of disappointment to Mr K, I wasn't intending to uphold his complaint.

AESEL says it has nothing to add to my decision. Mr K hasn't asked that I look at any parts of provisional decision again.

### **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.

Although neither party has challenged the views I have reached nor the conclusions I have made, I have looked again at the evidence and what I decided. However, I haven't changed my mind.

On the evidence I've seen I still think that AESEL has correctly followed its processes in respect of the KYC requirement. And as set out above, although I don't know why Mr K didn't receive all the emails sent by AESEL I accept this correspondence was generated and sent out to him. I can't reasonably say that AESEL did something wrong in its actions nor would have been aware that Mr K hadn't received its requests and warnings about the importance of providing the required information and what could happen if he didn't comply.

I think AESEL was entitled and didn't act unfairly when making the decision that it did to terminate both of the credit cards held by Mr K. I also don't think it would be fair to ask AESEL to pay Mr K any compensation for any potential confusion over the termination of the supplementary card. This is because AESEL sent Mr K emails about each card separately and had he received everything as intended by AESEL then no confusion would have arisen.

So, for the reasons set out above I'm not upholding Mr K's complaint.

### **My final decision**

For the reasons given and although I appreciate this will be of disappointment to Mr K I'm not upholding his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 April 2024.

Jocelyn Griffith  
**Ombudsman**