

The complaint

Mr C complains about the process American Express Services Europe Limited (AESEL) 'Amex' put him through for confirming his personal information.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here.

Mr C says Amex contacted him in April 2023 to confirm his details were correct as part of its Know Your Customer ('KYC') checks. Mr C said Amex notified him through an app and emails.

Mr C said he updated his details several times via the Amex app and website. He said the system was not very responsive to use and he kept getting communication from Amex stating his details were not correct. He says it was not clear what details were incorrect and what he needed to change either.

Mr C complained to this service to say: *'I have spent nothing short of 50 hours of my time since April using chat, phone, email to resolve this issue with them and no end of stress. It has cost me a lot in time and effort'*

After initially denying it had done anything wrong Amex acknowledged to Mr C that it had internal issues which prevented him updating his personal details which also led to his credit card account being suspended for a short period.

Amex has offered Mr C £600 to put things right which our investigator thought was fair and reasonable. Mr C disagrees and wants an ombudsman to take another look at things. In summary, he says that the compensation is not enough. And compensation alone isn't sufficient – Mr C says he wants specific non-financial remedies.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I also note that as the ombudsman deciding this complaint it is for me to determine the key issues – and not the parties to this complaint.

In deciding what is fair and reasonable here I have noted the FCA regulatory framework, including the requirement for firms to treat customers fairly and (from 31 July 2023) in line with its Consumer Duty.

I am aware in his complaint form Mr C has referred to a separate complaint he made to Amex about a disputed transaction (around the same time). Amex gave this a separate complaint reference number and responded to it separately. Mr C has clarified to us that this matter is now resolved. For clarity, I will not be considering the subject matter of that complaint here - only this complaint relating to the KYC process. That said, I have noted Mr C's point about what he told Amex during a call he made about the disputed transaction which he says is relevant to the circumstances here.

The KYC process

I don't think it is in dispute that prima facie Amex was acting reasonably in carrying out checks on Mr C's personal details. I am satisfied that Amex is able to do this periodically to comply with regulatory requirements.

However, the issue is with the specific customer journey Mr C went through here. And after looking into things Amex has accepted that it is at fault for a process which wasn't smooth and led to frustration.

Specifically Amex has accepted that problems arose with getting the KYC completed for Mr C because:

- it had incorrectly logged Mr C's date of birth on his original product application (which it believes was due to human error); and
- there was a technical issue with a KYC link it provided Mr C with.

It seems because Amex had logged the wrong date of birth for Mr C (and this was clearly wrong as it seems like the year was '2023') this meant it kept rejecting the date of birth he entered as part of the KYC process. The issues with the link appear to have compounded the matter further. From what I can see Amex's current position is that it fully accepts blame for the issues Mr C had updating his details. So I don't consider I need to dwell on the question of whether Amex made an error. It is clear Amex made a mistake, and also what flowed from this error (chasing Mr C for information and eventually suspending his account) was not treating him fairly.

I note Mr C has mentioned the Consumer Duty. This is relevant to some of the events that took place here (from 31 July 2023 when there were ongoing requests by Amex for Mr C to update his details – and the eventual suspension of his account). Consumer Duty does set a higher standard of care that firms like Amex give their retail customers. But I don't think this makes a difference to the outcome here. Amex does not appear to dispute that it fell below the reasonable expectations of care and customer service - it has apologised and offered to pay compensation. And even without the standards imposed by the Consumer Duty, I would be expecting it to put things right. For me, the key issue here is what is a fair way to do that.

Putting things right

I note Amex eventually looked into things further and accepted its failings in respect of the KYC process it put Mr C through. It wrote to him about this in August 2023 and said sorry. From what I understand Amex has corrected the errors it had with Mr C's details – and he is free to use his card as usual. It also offered him compensation. So, on the face of it Amex has taken reasonable steps to resolve matters surrounding this complaint.

I turn to whether the offer of compensation is sufficient. It was initially £150 and now stands at an offer of £600. This isn't a science, but I have carefully considered what took place and what Mr C has said about the impact of Amex's error on him to decide a fair amount.

It appears from about April 2023 to August 2023 (when Amex responded to the complaint) Mr C had trouble updating his details on the Amex system. It was clearly very frustrating for Mr C that the matter went on for this long. From what I have seen (including Mr C's credible testimony to this service and Amex) I am persuaded that he tried numerous methods (including chat, phone and website) to update his details. Mr C has said that he also had a phone chat about his disputed transaction issue where he asked for Amex to confirm his details too.

However, despite all his efforts Mr C has described how Amex continued to send him automated letters and emails to say there was a problem. I have seen at least some of this correspondence which appears generic and was not clear about what the issue was. Mr C has also said to Amex that there was a lack of information on the various communication channels (including app and website) about what still remained unresolved. And that it didn't reach out to him to explain things clearly. All of this was no doubt immensely frustrating for Mr C – and from what he has said shows to me that he didn't feel like he was being treated as an individual customer.

Amex appears to have, at one stage told Mr C there was a date of birth discrepancy and he needed to upload some documents to fix it. But it seems there were issues with uploading this document this too – which don't appear to be Mr C's fault. This would have caused further frustration for Mr C. Along with the fact that on initial investigation into everything Amex said it could not substantiate any errors (a position it later changed).

Things escalated further at one point and Mr C got correspondence from Amex on 15 August 2023 to say his account had been suspended along with a notice of termination. Mr C found this alarming – which I have no doubt about. Considering Mr C knew he had not done anything wrong it would be extremely upsetting to get such a message and learn his account had been suspended. The suspension appears to have only lasted a day or so before things were put right (and there is no persuasive evidence this had a wider impact on Mr C's finances) but it still added to the overall distress and inconvenience suffered here.

I also note that while not the focal point of this complaint Amex appears not to have actioned a DSAR request which Mr C asked it to do around this time of difficulties with the KYC process (August 2023). This meant his DSAR was delayed until much later on. Amex has not objected to this being included in the complaint here – so I have factored this into the overall redress due.

I have considered our general guide on compensation awards as found on our website – and the particular circumstances here. Taking all this into account I think that the original offer of compensation of £150 by Amex was low, particularly noting how long things went on for and the aggravating factor of the account suspension. But I don't think the circumstances here warrant a greater award than the £600 Amex has now agreed to pay. So I won't be recommending more compensation.

I also note Mr C has emphasised this is not primarily about money. He says it is about how long term valued customers like him should be treated by Amex and what they should be doing across their various customer channels to avoid miscommunication and mishandling of issues. He wrote to Amex to say:

'This was not about money, this complaint was about your processes, communications and systems not being clearly understandable, readily executable, being disconnected and disjointed, being such that your asks of us – which we claim we TRIED to action – clearly not working as we all would expect.'

In regard to non-financial actions Mr C says he wants Amex to provide a detailed investigative report to support claims they investigated things and essentially get to the bottom of '*what went wrong and why*'. He wants Amex to address what they will do to improve things for consumers. He also wants a hand signed letter of apology from the CEO to show that Amex has heard his concerns and will own the issues raised.

I appreciate Mr C is concerned to know exactly why Amex made errors and wants a formal investigation and report to address his concerns about what he sees as systemic issues with Amex's process. But noting my role here as ombudsman I don't consider that is necessary or proportionate to resolve this case fairly. I think it sufficient that Amex has accepted there were technical and/or human errors that led to the problems Mr C experienced. And I would hope it will take on board Mr C's comments, and my decision going forward.

While Mr C has strong broader consumer protection concerns, here I am deciding how best to resolve his individual complaint in a fair and reasonable way. And while Amex may choose to provide the apology letter Mr C wants – I think the compensation and Amex's apology to date is sufficient in the circumstances.

I am aware Mr C has been clear that he will not accept any outcome without the non-financial remedies he has outlined. And while I am sorry to disappoint Mr C – I consider my proposal fair and leave him to decide if he now wants to accept it.

Putting things right

If it has not already done so I direct Amex to pay Mr C the £600 it has agreed as compensation to resolve this complaint.

My final decision

American Express Services Europe Limited (AESEL) should pay Mr C £600 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 October 2024.

Mark Lancod
Ombudsman