

## **The complaint**

Mrs R on behalf of Mr and Mrs R complains that HSBC UK Bank Plc blocked their account and prevented them from completing the purchase of their home. She would like compensation for the distress and a letter of apology.

## **What happened**

Mr and Mrs R had an account with HSBC.

Mrs R told us they sold their house in May 2020. They also sold furniture and personal items and Mrs R said the proceeds of these sales were deposited into their account in cash. Mrs R has told us she provided the branch staff with documentary evidence of the sales of items when she deposited the cash in branch.

The purchase of their new property was delayed, and Mrs R has said they were in rented accommodation waiting for the completion. – The purchase of their new property was due to complete on 15 October 2020.

On 30 September 2020 HSBC contacted Mrs R, they wanted to discuss the account. Mrs R was uncomfortable discussing things on the phone and said she would go to the branch to discuss in person. Due to Mr R's ill health and numerous hospital appointments Mrs R didn't end up going into branch.

When they went to the solicitors to complete on their purchase, they found out that their account had been blocked.

Mrs R has said she provided HSBC with proof of the source of the funds in her account. Despite this HSBC didn't unblock the account. Mrs R has said when she went into branch she was made to wait a long time to see the bank manager and she was put through to a team that don't take calls from consumers so they put the phone down on her.

HSBC said that the account had been blocked on 14 October 2020 and unblocked on 22 October 2020.

Mrs R complained to HSBC – they said they had done nothing wrong by reviewing the account.

Mrs R complained to our service. One of our investigators looked into the complaint. He said HSBC had acted fairly when they reviewed the account and hadn't delayed the process. He did think HSBC had provided poor customer service in the way it had treated Mrs R by making her wait in branch and being passed to the wrong team which resulted in the phone being hung up on her. He thought £50 compensation was reasonable for the distress caused.

Mrs R was unhappy with the view. She said this was a very stressful situation and her and Mr R felt they would be left homeless. Mrs R has said she contacted the bank daily offering to provide any paperwork that would assist their review. She has mentioned she was so

concerned that her mental health suffered.

As there was no agreement 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.

#### *Account review and block.*

I'll start by setting out some context for the review of Mr and Mrs R's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied HSBC were complying with these obligations when they reviewed Mr and Mrs R's account.

HSBC were entitled to review and block the account under the terms and conditions. I recognise that the block came at a very inconvenient time for Mr and Mrs R but looking at everything I don't think HSBC acted unfairly when they reviewed and blocked their account.

Mrs R has said they were able to complete on their purchase. She has told us how stressful the whole situation was. She has mentioned that she offered to provide paperwork to the bank and contacted them daily. Mr and Mrs R's account was blocked from 14 October 2020 to 22 October 2020. I appreciate that during that time she didn't know how long the block would be in place for. But I'm satisfied there was no delay on the part of HSBC when they carried out their review.

Mrs R has said she would like compensation for the treatment she received in branch. She says she was made to wait in branch for three hours and she was put through to a department that doesn't deal with the public, so they didn't speak to her. I appreciate Mrs R would have liked to have spoken to someone who would explain the reason for the review and block of the account but HSBC aren't obliged to let her know the reasons for the block and review and this may have contributed to the perceived lack of reassurance. But I can't say HSBC have done anything wrong in not providing her with this information either in the week of the block or subsequent to that.

I appreciate Mrs R was put through to a team that don't speak to members of the public but only to internal bank staff. I think this was a mistake by HSBC staff and it would have caused Mrs R distress. The investigator has awarded £50 compensation and I think this is reasonable in the circumstances.

Mrs R has asked for an apology from HSBC which they have already provided to her.

Mrs R has provided me with further information in which she has outlined the distress that she and Mr R suffered because of the block on the account. I think that HSBC were entitled to block the account and didn't cause any delays so I can't award them compensation for this although I appreciate what a difficult situation they were in.

I know Mr and Mrs R will find my decision disappointing but having looked at everything I can't say that HSBC acted unfairly when they reviewed and blocked their account and didn't give them information. I also think £50 is a reasonable amount for the reasons I have mentioned above, and I won't be asking HSBC to pay anything else.

**Putting things right**

HSBC to pay Mr and Mrs R £50 for the distress caused by their mistake.

**My final decision**

I direct HSBC UK Bank Plc to pay Mr and Mrs R £50 in compensation for their material distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 20 May 2022.

Esperanza Fuentes  
**Ombudsman**