

The complaint

Mr W, acting on behalf of his business, T, complains that HSBC UK Bank Plc didn't provide adequate notification of the additional charges that were applied to the business' accounts.

What happened

Mr W has explained that his business has four client accounts. He says that HSBC applied transaction charges from November 2021 which added thousands of pounds of costs. He says that there was no communication about the charges being applied apart from a notice of variation which he says HSBC said was sent in August 2021. Mr W says he doesn't have a copy of this but noticed a message in his secure messaging advising of changes to the account however he says this didn't highlight the impact the changes would have. Mr W says he only realised the extent of the costs when he received a statement of charges.

Mr W says that he received a letter on 17 November that was dated 11 November 2021 (which was after the charges became applicable) which says *'we're here to help. If you choose not to accept these charges please get in touch with your relationship manager (if you have one) or your usual HSBC contact no later than 10th December 2021'*. Mr W says he called HSBC and was told there was nothing that could be done and that the charges had come into force. Mr W wants the charges applied to be refunded and noted he would be changing the business accounts as the new charges result in an unaffordable cost.

HSBC issued a final response letter in November 2021. It said that a notice of variation was sent to T on 9 August 2021 about the updated pricing plans on some of its accounts. It said these charges couldn't be negotiated and didn't accept these should be refunded.

Our investigator said that HSBC had emailed on 9 August 2021 about the pricing changes and as this had been sent to the email address Mr W provided for this complaint he couldn't hold HSBC accountable for this not being received. He said it wasn't our role to tell HSBC what level of detail to include in its letters.

Our investigator noted the letter Mr W had been sent dated 11 November and that Mr W had called following this asking for help as he didn't want to pay the charges. However, he was told it was too late and it couldn't help. Our investigator thought this had caused inconvenience and that HSBC could have been more helpful on the call. Because of this he suggested it pay compensation of £50.

Mr W didn't agree with our investigator's view. He said that he received adequate notification of the severity of the changes he would have raised a complaint sooner and made arrangements to switch T's accounts. He also didn't think it right that he was sent the letter dated 11 November offering help when this wasn't an option. He didn't accept that £50 was sufficient given he had been charged much more than that due to the new charges.

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 understand why the change in the pricing of the accounts held by T has caused a significant issue for the business. However, for me to uphold this complaint I would need to be satisfied that HSBC had either done something wrong by applying the charges or not given adequate notice of these.

I have looked at HSBC's business banking terms and conditions and these set out the changes that can be made, including changes to charges. The terms say that different notice periods will be given for different changes but in terms of changes to charges it says two months' notice would be given. In this case HSBC has said it provided notice on 9 August and as the changes took effect from 1 November I find that it did provide adequate notice of the changes.

I appreciate Mr W's comments that he didn't receive the notification in August 2021. However, HSBC has provided evidence that the notification was sent. It has also confirmed this was sent by email and that the email address it holds is the same as the one provided with this complaint. Therefore, on balance, while I do not dispute Mr W's comments that he didn't see the notification in August, I accept HSBC sent this.

The letter sent set out that changes were being made to some business accounts including changes to some pricing. It then provided information of where the details of the changes could be accessed. I have looked at this information and it sets out in detail the changes to the pricing. I appreciate Mr W thinks that the severity of the change meant that HSBC should have provided more details in its notification but having looked at the information I think this does provide the information about the changes and based on this it would have been possible for Mr W to have worked out what the impact on T would be.

So, while I understand Mr W says he wasn't given reasonable notification of the changes and the impact these would have on T, I find that HSBC did provide reasonable notice and information in advance of the changes taking effect.

Mr W has also complained that T received a letter dated after the introduction of the new charges offering to provide help but when he called HSBC he was told it was too late. I haven't received a recording of this call and I find it reasonable to accept Mr W's testimony about what he was told. Mr W has provided a copy of the letter he received dated 11 November. This implies that help can be provided if T chose not to accept the charges. However, this wasn't the case when Mr W made the call and so I accept this caused some inconvenience. However, as the notification had been provided of the new charges I do not find this issue means the charges need to be refunded. Instead I agree it is reasonable that £50 is paid for the inconvenience this letter caused.

Putting things right

HSBC should pay compensation of £50 for the inconvenience caused.

My final decision

My final decision is that HSBC UK Bank Plc should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 15 June 2022.

Jane Archer
Ombudsman