

The complaint

Miss M complains that HSBC UK Bank Plc lost her data when her father (Mr M) was applying to open a bank account for her and that has made her vulnerable to fraud.

What happened

Mr M was opening a bank account with HSBC for Miss M. As part of the application he was required to upload a copy of Miss M's passport along with a photo of her, so that her identity could be verified. Mr M said he was told that he'd successfully uploaded the photo and passport. But HSBC later said that it hadn't received that information.

Mr M complains on behalf of Miss M that HSBC has lost her biometric information. He said that puts her at risk of fraud and the associated costs of putting that right. Mr M wants HSBC to find Miss M's data and to put it somewhere safe, to shut down the system it uses to gather data or if neither of those things are possible, provide a lifetime guarantee to cover any losses and costs that flowed from the loss of the data.

Our investigator thought that it was most likely the information had been deleted. But he said that HSBC should increase its compensation to £150.

HSBC accepted what the investigator said. Mr M did not. He made a number of points, including:

- His request to HSBC had not been met. It hadn't located the biometric data or provided evidence it had been deleted. It is therefore reasonable to conclude the information had been lost.
- The investigator had taken what he'd said out of context. The information from HSBC fell short of what he would expect of a formal policy document, which he would expect to be approved through a formal process by senior HSBC staff.
- HSBC should be able to provide evidence to show when the two images were captured and deleted.

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 Mr M's position here. He wants the clear evidence to prove that his daughter's biometric information has been deleted. But I'm afraid that we don't have definitive evidence of that. It doesn't necessarily follow that the information has been lost.

In cases where there is a dispute about what happened and the evidence is incomplete, I must reach a decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence that is available to us.

Mr M considers that HSBC should be able to produce evidence to either show it had located the two images or that they had been deleted. Without that, it was reasonable to consider that the information had been lost.

HSBC initially said that “*due to a system issue*” it hadn’t received the information. It then said the information was never received because the upload “*failed*”.

HSBC has also provided the following evidence:

- A “*case print*” showing the steps it took in investigation of this complaint. The notes say that there was no trace of the information on the relevant system and that HSBC had checked with another department.
- A log of the online application stating that HSBC was awaiting identification documents.
- An internal email from HSBC dated 20 May 2021, stating that the upload had “*failed*. *None of the customers information came across to [HSBC].*”
- An email from HSBC where it passed on the following information from the relevant department:

“The data deletion policy is set that all personal data is deleted after 30 days from the transaction date. After that we can only see that the transaction took place, date and time it was created and result (accept/reject). Everything else is (by design) deleted. Therefore, the only thing we can say with certainty, is that Mr M used [the system] on 5th April 2021 at 7:49 and their submission was rejected by the system as “blurry.” However, we cannot say whether it was founded or unfounded rejection as the document is no longer there. Reviewing the notes on the application itself, which was submitted on 5APR at 7:40, it seems that the document was unfortunately never reviewed and the application was automatically dropped on 22APR. Subsequently, all [the system’s] data was purged when the retention period expired”.

- A “*transaction report*” showing all information had been deleted from the relevant system in respect of Miss M’s application. The reference number on the report matches the reference number on other information provided by HSBC, including the online application.
- A “*transaction report*” on another application, showing where proof of identification had been successfully updated so we could see how the system would show where proof of identity had been received.
- A screenshot from HSBC’s system stating that it has an automatic process where the information is deleted. And further evidence that the information on the relevant system has been deleted.

HSBC could have been a lot clearer in the explanation it gave for what happened. There is a difference between the information not being received and the information being received, but rejected by its system. It also appears to accept that it failed to manually review the information it did receive when it was rejected.

Nevertheless, the weight of the evidence here supports that any information that HSBC did hold for Miss M in respect of the application has now been deleted. While HSBC could have been more careful in what it said about what happened, it seems that due to the passage of time, information relating to the application has been deleted.

Mr M is worried about what *could* happen. But there is no evidence to show that any information has been lost – and the evidence we do have supports that any information held has been deleted. In view of that, I can't see how I could reasonably conclude that the information has been lost. On the evidence we have, it is more likely that the upload was unsuccessful and any information HSBC did receive has now been deleted.

HSBC agreed with the investigator's recommendation to pay £150 for any distress and inconvenience caused by what happened. I think that is fair to reflect that HSBC appears to have failed to check whether the information was uploaded successfully or not when its system identified the upload as "blurry" and that it could have done more to give the necessary reassurance to Mr M at the outset – and that by not doing so it has caused unnecessary ongoing worry.

It is for HSBC to decide what systems and processes it has in place. It's not for me to interfere in that.

My final decision

My final decision is that HSBC UK Bank Plc should pay Miss M £150 .

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 November 2022.

Ken Rose
Ombudsman