

The complaint

'C', a limited company, complains about changes HSBC UK Bank Plc made to the fee structure on their business account. They want compensation.

What happened

C holds a business account with HSBC. In October 2021, HSBC wrote to C to explain that they would be making changes to their business current accounts effective 1 November 2021, which included price changes to some of their services.

C argued they'd been given insufficient notification of the price increase, and weren't given adequate time to decide whether to continue with the increased charges, or to switch account providers.

HSBC responded to say they'd sent a previous notification on 16 September 2021. They later corrected this, and said that notifications were sent on 2 August 2021, and 26 September 2021. So they were satisfied sufficient notice had been provided. But C maintained that the October notification was the earliest correspondence they received, so they complained, and they asked for HSBC to provide copies of the previous notifications.

HSBC responded. They maintained that three notifications had been sent, but they didn't provide C with copies of the earlier correspondence for a number of months. And when they were sent, C said they were in a format that didn't make clear how, or when they were sent.

HSBC explained this was due to notifications being sent out by a third-party as a bulk mailing, but C remained unhappy, so they brought their complaint to our service.

An investigator considered C's complaint. He accepted there were errors on HSBC's part, firstly in providing an incorrect date for the September notification, and then failing to provide further copies of the earlier notifications within a reasonable timescale. So he recommended that HSBC pay C £50 in compensation to recognise the shortfall in service. HSBC accepted the recommendations, but C didn't, so the case has been passed 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.

When considering any changes to an account, I first need to look at what the terms of the account state. HSBC's terms set out the notice they will provide when varying any terms of an account. And those notice levels vary, dependant on the change in question. The account terms state that for any change of charges to small business or large business corporate accounts, at least two months' notice will be given. They also explain in the event of changes to any other terms for business customers, two months' notice will also be given.

HSBC has said that C was provided with notice on 2 August 2021, 26 September 2021, and 14 October 2021, that there would be a small change to the cost of the account effective

from 1 November 2021. So based on these dates, it would seem C was provided sufficient notice in line with the account terms.

C has argued that they never received the August or September notifications at the time, and therefore, insufficient notice was provided. So we asked HSBC to provide evidence that notifications were sent, and I can see that HSBC's system notes show that notifications were sent to C on 2 August 2021, 26 September 2021, as well as in October 2021. So for this reason, I'm satisfied sufficient notice was provided to C in line with the account terms.

C has argued that they didn't receive the August or September notifications, and that the system records don't show specific copies of the communications and therefore can't be relied upon. They've also argued that as HSBC previously quoted an incorrect date, which they say further supports their view that the documentation wasn't sent. But I don't see things quite the same way.

When looking at a business' evidence of communications, it's common to use system records as evidence of documentation sent, rather than seeing physical copies of the letters themselves. And the fact that HSBC previously quoted an incorrect date in error, doesn't lead me to believe that the system records they have provided are in any way false. Rather I think this was a simple error in communicating the correct date to C initially. So, while I appreciate C feels the records provided are insufficient, I'm afraid I disagree, and I'm satisfied that they demonstrate that notifications were issued on the dates in question.

I do however accept that there were significant delays in providing C with evidence of the original notifications, for which I think compensation is due. But I'm satisfied that in this case, the £50 compensation HSBC offered is sufficient in the circumstances. So, while I appreciate this will come as a disappointment to C, for the reasons set out above, I won't be asking HSBC to do anything further than pay the £50 compensation recommended.

Should C remain unhappy with the charges being applied, they retain the option to move their banking services to another provider.

My final decision

My final decision is that I uphold C's complaint in part, and instruct HSBC UK Bank Plc to Pay C £50 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 23 September 2022.

Brad McIlquham
Ombudsman