

The complaint

R, a business, complains that HSBC UK Bank Plc placed a 'gone away' marker on its commercial card account meaning that an important payment was missed.

What happened

R says that a marker had been applied when HSBC had recorded that an account statement had been returned undelivered in August 2021. R disputes this saying that the local postal office was familiar with its address. And it thought that HSBC ought to have contacted it to confirm the position. A payment it seems for a web hosting service was missed resulting in it being cancelled and the need for a new email address to be set up and notified to clients. R has also lost access to past emails.

HSBC said it hadn't made a mistake and had followed its usual process when mail is returned. It didn't routinely contact a customer when this happened. But this marker was a security measure as '*we assume the address is no longer correct.*' Once R had contacted it a replacement card was issued, and the marker was removed. After the complaint was referred to this service it offered to pay R £100 to reflect the inconvenience.

Our investigator didn't recommend that HSBC do anything more. He said that we didn't have a role in setting business processes. Here HSBC had explained its process, and this was a plausible way of stopping information being accessed by a third party. While he noted that the local postal office had no record of returning any mail, HSBC said that it had received the July 2021 statement back. And he didn't think it would be reasonable for HSBC to retain a copy of that for any period of time as R thought required. He noted that HSBC had made an offer as an acknowledgement of the problems. As he couldn't see it had made a mistake he thought this reasonable.

R didn't agree. The business owner stated that the assessment was inadequate and incorrect. It wasn't appropriate to add a gone away marker if there is no good reason and that would only be if the account holder was advised. There was no security risk here from a statement. It was strenuously denied by the postal service that the item had been returned. He provided pictures of the post box which was set into a wall and familiar to those locally. He said that errors in producing a statement can be made and he didn't believe an envelope was returned. HSBC shouldn't presume he'd moved, and our assessment was biased. The compensation of £100 wasn't reflective of the consequential loss which ran into tens of thousands of pounds given that past emails couldn't be accessed electronically, and all clients needed to be notified of the new email details.

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 can't know *exactly* what happened here and I'm thinking about what is *most likely*. I note that the owner of R says he was away for a period from 26 July 2021 to 21 August 2021 and that family were staying at the property for their holidays. The letter box isn't typical in the

sense that it is built into a wall of a building but then again there haven't been other reported problems with post for R. I can't know exactly whether and where at some point in the postal system the item was returned. But that's what HSBC has recorded happened.

It's explained its process. While I can understand what R says about what is contained on a statement there is a risk of identity theft if account information is compromised. And the gone away marker prevented a new card being issued on the account as the old one expired at the end of October 2021.

I think it's that latter point too that prevented what I understand to be a renewal payment on the card going through linked to R's website and email address. I don't know if the related business involved gave R the opportunity to pay in another way. R clearly didn't notice that no statements had been received from July 2021 onwards. I note from information provided by HSBC it was using the card and monthly direct debit payments were taken until the card expired. When R realised what happened a new card was sent out in December 2021 and then used that month for payments.

I appreciate R thinks things should have been handled differently. But we don't have a role in setting processes, and I can't say that HSBC ought to have also contacted R, however helpful that could have been here. And as I say I don't have information to find that it most likely made an error in adding the gone away marker. Even if I did, I don't think HSBC could reasonably have anticipated the knock-on effects for R and that these couldn't reasonably have been mitigated in some way. HSBC has made an offer to reflect inconvenience and I know what R thinks about the amount involved. I don't have a reasonable basis to require it to do anything more. If R doesn't accept my decision it remains free to pursue this matter in court subject to any relevant time limits.

My final decision

HSBC has made an offer to settle this complaint which I consider to be fair in the circumstances. So, my decision is that HSBC UK Bank Plc pay R £100 as it has offered to.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 7 October 2022.

Michael Crewe
Ombudsman