

## **The complaint**

'A', a limited company, complains that HSBC UK Bank Plc didn't process and accept an application for an account and explain the reason why.

## **What happened**

A applied for an account. It was told that there was a discrepancy between the name given and identification document for one of the officials. It tried to rectify this and upload documents on a number of occasions. A thought that it had done so and couldn't find out why an account hadn't been opened. A was then told that HSBC hadn't received the documentation, the application had expired, and it wasn't accepting further applications at the time. A said there was a delay in it getting a Bounce Back Loan (BBL) until it applied through a different financial business.

HSBC made offers to compensate A. These were of £100 in May 2020 for the difficulty A had using an online portal to submit a document; of £200 in October 2020 for the time A waited in call queues to discuss the matter; and of a further £100 after the case was referred to this service. It said that it wasn't able to establish why it didn't accept a passport copy that had been submitted. HSBC said it had to comply with identification and verification processes but apologised to A for the inconvenience.

Our investigator didn't recommend that HSBC do more than it had now offered to. He noted that A had said that it would accept £600 in compensation. HSBC had said that it didn't have the required verification document and had told A this. The application had expired on the system after several months. And HSBC had a record of A contacting it in October 2020 about this. It responded to a complaint about the delay with a final response on 2 December 2020 confirming that further information had been required. Our investigator thought that the compensation was in line with our published guidelines. And he said that although he'd asked HSBC for recordings of its calls with A these weren't available.

A didn't agree and wanted the complaint to be reviewed. It said that a phone call with HSBC in May 2020 was important evidence and that this was being withheld. It believed it was told that its application was successful. And that HSBC should have done more to contact it about what was happening as a matter of principle. A had tried to contact HSBC and was told that it couldn't conclude the process. A missed out on 18 months of free banking and a BBL.

## **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.

The call that A refers to isn't available and I'm satisfied that HSBC has made reasonable attempts to find this. It doesn't have to keep recordings, and this won't be available for my review.

I looked carefully at the information that has been submitted by HSBC. And I can see that on 21 May 2020 HSBC noted that a representative of A had called its complaints team. The representative referred to having tried to submit documents on several occasions. And to having received a missed call about it that morning and being unable to contact the person involved. The documents were resubmitted during this call and a note added to the system to say that this had been done. A final response to that complaint was issued stating that the documents had been submitted. And £100 was offered in compensation. A was directed to raise any further concerns with the Business Telephone Banking Team. There was no reference made to the application being successful although I accept that this was the impression the representative may have gained.

HSBC hasn't been able to explain why the document wasn't then accepted. Its next call note of contact from A is dated 13 October 2020. The representative then had said there'd been difficulty getting through and that they were told something different each time. In a complaint response to A of that date HSBC accepted that A had been subject to long call waiting times. And it was offered £200 for the time spent holding on calls to Commercial Customer Relations. It was told that if it could provide documentary evidence of this and any time waiting for the Business Account opening team this compensation could be reconsidered. The next call record is 30 November 2020 and A says that it had been waiting for a call back and that when it contacted the Account opening team it is told to go through to complaints. On 2 December 2020 HSBC apologised for having not been in touch sooner and told A that it hadn't provided the required information and the application was no longer current. And that it wasn't accepting new applications at the time until 14 December 2020 which I understand to be the result of the pandemic.

In light of this I thought that there had been poor communication and that A had been inconvenienced during the application. And having noted that £200 of the compensation offered was for call waiting I considered that £400 was a reasonable request from A for other compensation. Through our investigator I asked HSBC if it was prepared to pay a total of £600. And when it did agree our investigator put this offer to A for me saying that while I appreciated the time that had passed since A indicated it would accept this amount (in November 2021) I'd be looking only at what HSBC did in this complaint. A didn't agree and said that it had been further inconvenienced by the way HSBC had made inaccurate claims and had refused to take accountability. A had to 'battle' to prove its credibility. And it wanted an additional fee for inconvenience.

#### *my assessment*

This service provides informal dispute resolution and I can only fairly look at what HSBC did in dealing with the outcome. And not hold it responsible for the time taken before I've reached my assessment and following the investigation carried out by this service. So, I won't be making any award for that.

I set out above my understanding of the key issues here. A thought it had provided the required information. It didn't hear anything further back from HSBC and in particular with details of any new account. I don't doubt that there was poor communication. But also, that HSBC didn't consider it had the required verification information. I don't think A could fairly rely on an account being opened until it had received confirmation. And when this didn't come through would reasonably need to think about mitigating the effect of that and making other arrangements for its banking and trading during the period. Having said that it didn't get a clear answer in my view as to what had happened until December 2020.

There was never a guarantee that A would obtain an account with HSBC. And as time went on as I say reasons for A to think that there was an issue. So, I'm not going to be holding HSBC responsible for any potential financial loss. And I note that A says in the event it did

subsequently make other arrangements and access a BBL

A is a separate legal entity which can't suffer distress. So, I'm thinking about the poor communication and inconvenience caused from HSBC and the acknowledged call waiting times. Having done so I consider that compensation of £600 is reasonable and in line our published guidelines. I appreciate that this is now less than the officials of A think appropriate, but I've explained how I arrived at my assessment.

### **My final decision**

My decision is that I uphold this complaint and I require HSBC UK Bank Plc to pay A total compensation of £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 12 December 2022.

Michael Crewe  
**Ombudsman**