

The complaint

R complains that HSBC UK Bank Plc closed its account despite its director being told a safeguard review had been successfully completed.

R is represented by its director Mr B.

What happened

HSBC wrote to Mr B in June 2020 asking him to provide information for a safeguard review they needed to complete on R's account. They sent further letters in July and August as the review had not been completed, followed by a letter in September advising Mr B that R's account would be closed in November 2020 if the information was not provided to complete the review.

Mr B was abroad at the time and unable to return to the UK due to a mixture of illness and restrictions associated with the pandemic. So, he wasn't aware of all of HSBC's correspondence about the safeguard review or the closure of R's account.

In late November 2020, R's account was restricted as the review had not been completed and HSBC wrote to Mr B on 1 December to make him aware that the account was to be closed.

A further letter was sent to Mr B in December advising him that the safeguard review was now complete and there was nothing further for him to do.

Mr B contacted HSBC later that month to explain that he had received a letter saying the safeguard review was complete, however R's account was still restricted. HSBC looked into the matter and called Mr B back on the same day explaining the restrictions had been lifted but the review still needed to be completed despite the letter he had received saying the review was complete.

During that call on 23 December, an extension to complete the safeguard review was granted to Mr B. HSBC wrote to Mr B in January 2021 confirming the extension and asking for his compliance with submitting the information to complete the review before 10 February 2021. They explained that noncompliance would result in the closure of the account.

In late March, HSBC reapplied the restrictions to R's account as the information requested hadn't been provided. The letter advised that the account would be closed on 24 May 2021.

R's account was subsequently closed. Mr B complained to HSBC, but they didn't uphold the complaint. So, Mr B brought R's complaint to our service.

One of our investigators looked into matters but he didn't think HSBC had done anything wrong in closing the account. However, he thought HSBC had provided conflicting information to Mr B and asked HSBC to pay £200 to Mr B in recognition of the inconvenience this caused.

Mr B disagreed and said that HSBC had told him the safeguard review was complete and he

had the letter to prove it. So, the case was passed to me to decide.

Mr B would like the account and overdraft reinstated with compensation for financial loss and disruption to the business from HSBC.

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'll start by agreeing that there is no dispute about the fact that HSBC sent Mr B a letter dated 16 December 2020 stating that the safeguard review had been completed and that there was nothing further he needed to do at that time. However, in the phone call of 23 December 2020 HSBC's representative explains that although Mr B had received that letter, the safeguard review had been cancelled and still needed to be completed.

Having listened to this call, the representative explains that the account will be reinstated but he explains that although Mr B had received a thank you letter for completing the review, the review had actually been cancelled which meant it still needed to be completed if Mr B wanted to keep the account open for the foreseeable future.

The representative says that he is very sorry and explains that an extension will be granted, and he will send a follow up letter to Mr B - which he sent in early January. There is no indication on this call that Mr B doesn't understand what is required of him.

HSBC have told us they continued to send letters, emails and SMS messages to Mr B asking him to complete the review, but the review was still not completed. There is also no indication that Mr B contacted the safeguard review team at any stage to query why he was continuing to receive correspondence about the safeguard review.

Having reviewed this information, I can't say that HSBC were responsible for the safeguard review not being completed by Mr B. I have heard them explain to him in a phone call that the review still needed to be completed and they continued to correspond with Mr B about the outstanding information. There was plenty of opportunity for Mr B to either complete the review or contact the safeguard review team to query the correspondence if he misunderstood and thought the review was complete.

Mr B explained that he didn't receive HSBC's letters due to circumstances beyond his control. However, it is Mr B's responsibility to contact his bank and make alternative temporary arrangements in such circumstances. I've also seen evidence that HSBC contacted Mr B using alternative methods to traditional post. So, I can't say that HSBC didn't make Mr B aware of the situation.

Mr B has also asked why HSBC didn't discuss the matter with him during calls about his overdraft and repayment plans. However, these calls were made by alternative business areas of HSBC about specific matters and I wouldn't have expected the safeguard review to be discussed during these calls. I also haven't seen any evidence that Mr B questioned the correspondence he received about the safeguard review on any of these calls. So, I don't think it was unreasonable that the closure of the account wasn't discussed on these calls.

HSBC have agreed to pay the £200 suggested by our investigator to R for the confusion their letter of 16 December 2020 caused which said the safeguard review had been completed. And I agree this £200 covers the inconvenience caused when the account was briefly restricted despite this letter being sent.

However, I've not seen any evidence that Mr B completed the review after the extension was granted despite being advised on multiple occasions that information was outstanding. As a result, I haven't found that HSBC have treated him unfairly or unreasonably in the circumstances of this complaint. And I haven't found that HSBC were to blame for the closure of R's account.

I understand this won't be the decision that Mr B was hoping for but for the reasons I've explained above, I won't be asking HSBC to take any additional action.

My final decision

My final decision is that I uphold this complaint in part.

I direct HSBC UK Bank Plc to pay £200 to R.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 20 June 2023.

Tara Richardson
Ombudsman