

## **The complaint**

Mr T complains HSBC UK Bank Plc (“HSBC”):

- unfairly locked him out of his account
- its telephone staff treated him poorly and calls were abruptly disconnected
- sent him a new telephone PIN outside of the agreed timescales
- its use of overseas staff, who work from home, has led to him receiving poor customer service; and
- HSBC’s error on its letter’s has caused him detriment

Mr T would like his calls to be reimbursed and compensation for the trouble and upset HSBC’s actions have caused.

## **What happened**

I’m aware Mr T has other complaints at this service. To avoid any ambiguity, this decision only deals with the complaint points as above.

In April 2022, Mr T called HSBC’s telephone banking services to check his balance and to initiate and process payments. Several calls took place that day. In some, Mr T passed HSBC’s telephone verification and was able to carry out the actions he wanted. On another call, he was told he had failed security – and would have to go into a HSBC branch to verify his identity.

Mr T, for reasons I don’t necessarily need to disclose here, was physically prevented from doing this. Mr T made other calls in which he was told the same thing, but later that evening he was able to get through the telephone banking security and access his account.

Unhappy with what had happened Mr T complained to HSBC. Mr T also complained that it took ten working days for him to receive a new telephone PIN number when he was told it would take around five days.

HSBC did not uphold Mr T’s complaint.

Mr T called HSBC again a little over a week later, on 20 April 2022. Mr T was asked for his date of birth and telephone banking PIN, but he was told it didn’t match. Mr T tried again and was successful the second time. As part of his complaint, Mr T has said he gave the same details as before, and so he questions whether HSBC’s staff had made an error – or whether he was being unfairly victimised. Mr T says the prospect of having his account locked again caused him severe distress.

Mr T raised a complaint with HSBC about this. In its response, and in summary, HSBC said:

- The correct process was followed by the agent Mr T spoke to on 20 April 2022
- The agent could understand him and there was no language barrier
- HSBC isn't in any way victimising Mr T nor discriminating against him

Unhappy, Mr T referred his complaint to this service. One of our Investigator's looked into it. In summary they found:

- This service does not have the power to tell HSBC where its staff should operate from – this is a matter for the regulator, the Financial Conduct Authority (“FCA”)
- Calls were disconnected on several occasions, but there isn't evidence to show this was intentional, nor due to the location of HSBC's staff. This would have frustrated Mr T
- They were satisfied HSBC had acted fairly when locking Mr T's telephone banking services. And they were persuaded HSBC were following its processes correctly. As HSBC did nothing wrong here, it doesn't need to pay compensation for any trouble and upset this caused
- HSBC's staff member's suggestions were neither short sighted nor rude. These suggestions were provided to support Mr T – and were not designed to be obstructive given his circumstances
- HSBC were following its procedures to verify Mr T and pass security
- HSBC arranged to send Mr T a new telephone PIN within two days. It can't be held liable for any delays in the postal service
- HSBC did make an administrative error by sending Mr T letters with the wording “DO NOT USE” as part of his name. This would have caused him distress
- They couldn't find any record that Mr T asked for three months statements as he says he did. But they had seen some statements were sent. There wasn't any evidence to show Mr T was declined account services with other providers because of not having three months statements
- Our Investigator asked HSBC to send Mr T three months statements
- HSBC should pay Mr T £150 compensation for the letter error and for calls disconnecting

HSBC agreed with our Investigator. As Mr T did not, the complaint has now 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.

I'd like to assure Mr T that even if I do not expressly reiterate all his complaint points and arguments in my decision, I have very carefully considered all the information he has sent us. By not doing this I mean him no discourtesy. I have however addressed the heads of his complaint.

I've decided to uphold Mr T's complaint in part. I'll explain why.

The key event from which most of Mr T's other heads of complaint stem from is of HSBC locking his telephone banking services and requesting that he go into a branch to verify himself.

I can appreciate this matter would have caused Mr T significant frustration and upset given he was unable to go to a branch due to his circumstance at the time. But having carefully listened to the calls, and given HSBC has strong regulatory obligations to protect its customer from financial harm, which includes having robust verification procedures in place, I'm satisfied it did nothing wrong.

Mr T has argued he was giving HSBC the correct information when asked for certain digits from his telephone PIN. Mr T had just received his new PIN around that time, which he says he changed on the calls. I'm not able to see whether Mr T had given the correct or incorrect detail here as often these prompts are computer generated at HSBC's end.

So I must make a finding on balance here. Having listened to the calls, I haven't seen anything which suggests HSBC's staff member deliberately tried to prevent Mr T, or erroneously stopped him from passing its security protocol. HSBC also has other guidelines in place which formed part of its staff member's decision to block Mr T from accessing its telephone banking services.

Taken together, I'm persuaded HSBC most likely followed its processes fairly when locking the account. It's also common practice for banks to ask its customers to go into a branch to verify themselves before unlocking the telephone or online aspect of its banking services.

In the calls I listened to, Mr T said he was always working on the weekdays, and the branch isn't open on the weekends for him to do this. Given no other reason was put forward at that time, I'm satisfied HSBC wasn't being inflexible nor unwilling to adapt its services. After all, it has a duty to ensure that it's talking to its customer and not someone impersonating them.

So, in summary, I'm satisfied HSBC acted fairly and reasonably, and in line with obligations placed on it, when it locked Mr T out of his account.

Mr T says HSBC's commercial decision to have overseas staff providing a telephone service is poor. Some of his key observations are that the calls are of low quality; there are language and communication barriers to overcome; agents are often working from home with background interference; and the distance to these overseas location's make calls unstable.

Our Investigator was right to say that HSBC's overall commercial decisions, and how it chooses to operate, are not matters this service has been set-up to address. That is more for the regulator.

I must of course decide the individual merits of this case. And having listened to all the calls HSBC have sent me, I'm satisfied all the agents Mr T spoke to were able to communicate effectively with him. So I'm satisfied the conversations he had with all the agents were not rendered ineffective or caused Mr T detriment due to their overseas location. Nor have I seen evidence that Mr T was treated poorly or that there was a deliberate and underhand intention to make matters more challenging for him.

It's clear some of the calls disconnected abruptly midway. From listening to the calls I can't tell either way why this happened. Mr T feels this could have been deliberate. But given there's no compelling evidence either way, I can't find this was the case here. But I do agree the calls disconnecting would have caused trouble and upset, and in turn lead to Mr T having

to call in again several times. The fault could have been at Mr T's end given the prevailing circumstance which dictated how he was making the calls. But given there were a handful of calls where this happened, some fault most likely fell on HSBC.

It's also clear that HSBC erroneously sent Mr T letters with the wording "DO NOT USE" interspersed with his name. HSBC accept it got this wrong. Mr T says this would have prevented him from opening another account elsewhere. But I haven't seen anything to persuade me this happened. It's equally plausible another financial service would have seen this as an obvious administrative error.

Having said that, I can see this would have caused Mr T some trouble and upset for the reasons he's given about it potentially casting some suspicion.

Mr T says he received a new PIN some five working days after he was told he would. HSBC have sent me an internal screenshot which I'm satisfied shows his request was processed in reasonable time. So its likely any delay was caused by the postal services – something HSBC aren't responsible for.

Lastly, and for the sake of completeness, I note Mr T feels he was victimised and thereby discriminated against. This is a serious allegation. I want to make clear I do not doubt how genuinely Mr T feels about this matter and the upset HSBC's actions have caused him.

But I've not seen any written policy document to that effect. Nor have I seen anything else which shows HSBC was treating Mr T differently because of a protected characteristic. And while I appreciate this is his perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this.

I have, however, considered the relevant law in relation to what Mr T has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. But after doing so I've not seen evidence to indicate Mr T was discriminated on the grounds of any protected characteristic. So I haven't found that HSBC's behaviour was improper.

Given the errors in the letters, and the calls disconnecting HSBC should pay Mr T compensation for the trouble and upset this caused. In reaching this funding, I've taken on board that he had to make more calls at a cost to him, the inconvenience this caused, and the anxiety he says this caused him. The letter error too would have caused him some worry.

So, to put things right, HSBC should pay Mr T £150 compensation.

### **My final decision**

I uphold this complaint in part. To put things right, HSBC UK Bank Plc should compensate Mr T as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 February 2023.

Ketan Nagla  
**Ombudsman**