

The complaint

The complaint Mr A complains about a returned post letter sent by HSBC UK Bank Plc ("HSBC").

What happened

In December 2021 HSBC sent Mr A a letter notifying him of returned post and indicated that it would freeze the account he held for security reasons.

Mr A called HSBC several times, but the HSBC advisors he spoke to couldn't tell him why the letter was sent or what post had been returned. So, Mr A logged a complaint.

HSBC looked into the complaint and upheld it. It said a gone away marker hadn't been removed from an earlier issue in 2020 and the letter had generated because of this. It reassured Mr A that no post had been returned since the incident in 2020 and it offered Mr A £50 for the trouble and upset it had caused. Mr A didn't agree with the level of compensation, so he brought his complaint to our service.

Our investigator looked into the complaint and upheld it. Our investigator agreed with the reasoning HSBC had given for the error, but felt the compensation needed to be increased to £150 for the trouble and upset the letter and lack of earlier explanation had caused.

Mr A responded to the investigators view and didn't agree with the amount of compensation she'd recommended. Mr A asked for £500 and provided evidence of other complaints and issues he said he'd had with HSBC. Our investigator considered the information but wasn't persuaded to increase the compensation further.

So, the complaint's been passed to me for a final decision.

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.

Having done so I've reached the same outcome as the investigator for largely the same reasons. I'll explain why.

HSBC have admitted it made an error when it sent the letter Mr A received. So, I don't need to investigate this point or make a finding. What is in dispute here is the level of compensation offered and whether it's fair in the circumstances of the complaint.

Mr A spoke to an advisor at HSBC, and she checked the bank's internal system and told Mr A that there was no evidence of any returned mail. The advisor also checked Mr A's address and it was confirmed that the bank held the correct one. The advisor told Mr A that his account wouldn't be frozen, and she updated the system to reflect this information. So, I'm satisfied that at this point although Mr A still didn't know why the letter was sent, he had been told there would be no further issues with using his account or it being frozen.

At this point the advisor had done as much as she could, based on the information she had available, as we now know there was no returned mail in relation to this incident. So, I can understand why Mr A was frustrated, but I don't find the advisor could've done any more without looking into the issue in more detail.

The advisor went on to log a complaint and this was responded to on 31 January 2022. In the bank's response, Mr A was told that the letter sent on 15 December 2021 notifying him of returned post was sent by mistake and was due a gone away marker not being removed from an earlier issue in 2020. HSBC acknowledged the error as I'd expect it to, apologised and offered to pay Mr A compensation. This is in line with what our service would expect when a mistake is made.

During the call with the advisor at HSBC, Mr A was told his account had a returned post marker on it. I've seen no evidence to suggest Mr A had a marker on his credit file due to the issue with the letter.

Having considered the above and taking everything Mr A and HSBC have supplied into account, I agree the £150 the investigator has suggested fairly compensates Mr A for the trouble and upset caused. Although the advisors Mr A spoke to did give him as much information as they could, he still needed to make two lengthy two phone calls and he has also given us a lot of information regarding the trouble and upset caused whilst the bank investigated why the letter was sent. Mr A had concerns at this point that his address had been changed without his authority and this brought with it a level of stress for the period he was waiting on an answer from HSBC. For this I agree the amount HSBC originally offered should be increased.

Mr A raised several other issues that he's had with the bank after the investigator sent her view. Although I understand why Mr A sent this information, I've only looked into the complaint Mr A raised about the letter the bank sent. If Mr A wants to raise complaints about the other issues, these would need to be raised separately with our service and the bank given a chance to respond.

Putting things right

Putting things right HSBC should increase the amount of compensation to £150 to fairly compensate Mr A for the trouble and upset the incorrect letter caused.

My final decision

My final decision is that I uphold Mr A's complaint against HSBC UK Bank Plc and instruct it to pay Mr A a total of £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 March 2023.

Tom Wagstaff
Ombudsman