

## **The complaint**

Mr M complains that HSBC UK Bank Plc closed his current account without reason. He would like to know the reason. And compensation for the way he was treated. Mr M is represented by Mrs M.

I am aware that there is a complaint about Mr M's credit card, but I will only be dealing with the closure of the current account in this decision.

## **What happened**

Mr M had a current account with HSBC for over 20 years.

Following a review by HSBC, on 4 January 2022 he received a notice to close letter from HSBC saying his account would close on 9 March 2022.

Mr M's account had a third-party mandate in favour of Mrs M which was cancelled with the closure of the account. Mr M was unhappy that he hadn't been given a reason for the closure. Mrs M complained to HSBC on his behalf.

Mr M has said that Mrs M made numerous calls to HSBC where she was given misinformation and her calls were cut off or transferred to the wrong department. Mr M has said he wasn't treated kindly or with compassion.

Mr M has said that dealing with the bank on the phone has caused him a great deal of stress. He has told us about his health conditions and how the stress of the account closure and how it was carried out affected him.

HSBC said they hadn't done anything wrong when they closed his account. They also said that their staff couldn't give Mrs M the reason for the closure even if she called their customer service team.

Unhappy with the response they complained to our service.

One of our adjudicators looked into the complaint. She thought HSBC had done nothing wrong when they closed the account, and they didn't have to give Mr M a reason for the closure. She also said that HSBC hadn't replied to Mr M's concerns regarding the service they had received when they raised the complaint. Our adjudicator said it appeared that HSBC hadn't received the complaint letter Mrs M had sent to them.

Mrs M on behalf of Mr M said she was unhappy with the view. The complaint was about the way in which HSBC closed the account and the lack of reasons given for it. Mr M was frustrated that the letter didn't explain the reasons why the account was closed even though it said it would. Mrs M said they were concerned that the reason for the closure was because there had been fraud on the address or account.

Following the view, I contacted HSBC requesting their comments on the service issues. I note that Mrs M had raised the service issues with HSBC as part of her complaint regarding the closure of the accounts.

As there was no agreement the matter has come to me to decide.

In my provisional decision I said:

Firstly, I would like to reassure both parties that while I may not comment on everything raised, I have considered all the arguments that Mr M has put forward as well as the information provided by HSBC.

The issues raised in relation to the credit card closure will be dealt with in separate decisions.

#### *Account review and closure*

Financial businesses, like HSBC, are subject to a number of legal and regulatory requirements. These mean they have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments. I am satisfied HSBC were complying with these obligations when they reviewed Mr M's account.

Following the review HSBC decided to close Mr M's account.

As the adjudicator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

Banks should, however, give reasonable notice before closing an account. Usually that means 60 days' notice, but it can be less depending on the circumstances. I can see that HSBC wrote to Mr M on 4 January 2022 and let him know it was closing his account on 9 March 2022 giving him 60 days' notice. So, I'm satisfied HSBC closed the accounts in line with the account terms. And gave Mr M adequate time to open another bank account.

I've considered whether HSBC acted fairly when it closed Mr M's account. Mr M has pointed out that he has been a loyal customer of HSBC for many years and that the closure of his account has caused him a lot of problems and stress which has affected his underlying health condition. I'm sorry that what's happened has caused Mr M trouble and upset but as I've said HSBC closed the account in line with the account terms. And having looked at the evidence provided I'm satisfied that HSBC haven't done anything wrong when they decided to close the account. It follows that I won't be awarding compensation for the closure although I understand the stress that Mr M was put under as a result of the closure.

Following the decision to close the account I would have expected the third-party access that Mrs M had on Mr M's account to have been stopped so I don't think they've done anything wrong.

#### *Reasons*

Mr M has expressed his frustration at not being told the reason for the account closure. He is also upset that the closure letter referred to a reason when the reason wasn't stated.

Mr M has said he wants to know the reasons why HSBC closed his accounts. Whilst Mr M may've expected to be given the reasons for the account closure. HSBC isn't required to give him a specific reason. HSBC doesn't disclose to its customers what triggers an account review and closure. And I can understand Mr M's frustration that he hasn't been provided a detailed explanation but been referred to the terms and conditions. But as the adjudicator

has explained, HSBC is under no obligation to provide this information to him, as much as he'd like to know. So, I can't say HSBC have done anything wrong by not giving Mr M this information.

I know Mr M has been frustrated by the content of the closure letter he has received from HSBC. I can understand the letter may have been confusing to him. However, I can see that HSBC have said that they have reviewed the account and decided to close the account in line with the account terms. HSBC aren't obliged to give Mr M a more specific reason, so I don't think they've done anything wrong.

I appreciate that Mr M is concerned that the reason for the closure may have been because of fraud on the address or the account. I can see this would be concerning as it would mean his personal details had been compromised. I would therefore like to reassure Mr M that I've seen no evidence of his personal details being compromised and I hope that provides him with some comfort.

### *Service issues*

I appreciate Mr M has told us about the service issues that he experienced when seeking clarification from HSBC and pursuing the complaint.

I understand that Mr M made some phone calls to the customer service team of HSBC and although Mrs M later took over and made most of the calls, Mr M has explained how his health was badly affected by the calls he did make and by the general stress of not knowing what was happening.

I understand that Mrs M made a number of calls to the customer service team of HSBC. It is fair to say the calls didn't go as expected, I think HSBC could have been clearer in their phone communications with Mrs M and I know that Mrs M was transferred to the wrong department on a few occasions.

I appreciate that HSBC were within their right to close Mr M's account, but I would have expected them to provide a better service on the phone and to be clearer in their message to Mr M regarding them not being able to provide a reason. Because of this I think HSBC should pay Mr M £50 for the inconvenience they caused him. In awarding this amount I have taken into account that it was mainly Mrs M that dealt with the phone calls, but that Mr M was disproportionately affected by the stress of the calls he did make because of his underlying health condition.

### **Responses to my provisional decision**

HSBC have said they have nothing further to add to my decision. Mr M has agreed with my provisional findings but would like me to reconsider the amount of compensation I was minded to award because of inflation.

### **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 thank Mrs M representing Mr M for her comments about my provisional decision. Having considered them I haven't seen any grounds to increase the compensation.

I have awarded £50 compensation in respect of the service issues on this account. I am aware that there are other complaints borne out of the same circumstances and I have dealt

with those in separate decisions.

I consider the award of £50 in respect of this complaint to be reasonable in the circumstances.

### **Putting things right**

HSBC should pay Mr M £50 for the distress caused during the calls to the customer service team.

### **My final decision**

For the reasons stated above I partially uphold this complaint. I require HSBC UK Bank Plc to pay Mr M £50 for his material distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 May 2023.

Esperanza Fuentes  
**Ombudsman**