

## **The complaint**

Mr M complains that Handelsbanken plc closed his account. He is unhappy with the way he has been treated by the bank over the years. He would like his account reinstated and for the behaviour to stop. He would also like compensation.

## **What happened**

Mr M had an account with Handelsbanken.

In March 2020 the bank asked Mr M to provide information to them, in particular some bank statements and credit card statements. Mr M was unhappy with being asked to provide this information. Handelsbanken requested the information again in April 2020 and this time Mr M provided the information to them.

In May 2022 Handelsbanken wrote to Mr M and said they would have to close Mr M's account. Because of Brexit they would no longer be offering accounts to those customers living outside the UK and his account would close in August 2022. They gave Mr M two months' notice in line with the terms and conditions of the account.

Mr M complained to the bank. He was unhappy with the decision to close the account as well as the service he had received from Handelsbanken.

Handelsbanken didn't think they had done anything wrong when they closed the account. They did think they could have done better when they requested the information from Mr M. So, they upheld that part of the complaint.

Mr M was unhappy with the response, so he complained to our service. One of our investigators looked into the complaint. She thought Handelsbanken hadn't done anything wrong when it closed Mr M's account. She thought Handelsbanken had accepted that they could have given a better service and she agreed with their upholding this aspect of the complaint. Mr M was unhappy that Handelsbanken had intimated they would start charging a management fee. She thought although Mr M hadn't been affected by the change, the bank's terms and conditions allowed them to do this.

Mr M was unhappy with the view. As no agreement could be reached the matter came to me and I issued a provisional decision.

In my provisional decision I said:

### *Account closure*

Mr M's account was closed in August 2022. He has said he doesn't think Handelsbanken have given him the real reason for closing the account. He doesn't think its related to Brexit. He thinks the bank could have kept his account open but have chosen for commercial reasons not to.

I can see Handelsbanken gave Mr M two months' notice of the closure of his account, and he was able to access his account during the notice period.

As the investigator 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 Handelsbanken wrote to Mr M and let him know it was closing his account giving him 60 days' notice. So, I'm satisfied Handelsbanken closed the accounts in line with the account terms.

I appreciate Mr M is very unhappy with the closure of his account. He has told us of the inconvenience of having his account closed, especially as he lives abroad. Having looked at the terms I'm satisfied Handelsbanken were entitled to close the account and gave Mr M the correct notice.

Handelsbanken have made a commercial decision following Brexit that they will no longer offer banking facilities to customers living outside the UK. They are entitled to make this commercial decision and I can't see they have acted unfairly in doing so.

I know Mr M is suspicious that there are other reasons behind his account closure. Mr M is concerned because he was asked to provide a lot of information by the bank in the last few years.

As the investigator mentioned UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships and is an ongoing obligation. These obligations override all other obligations. I am satisfied Handelsbanken were complying with these obligations when they requested that Mr M provide the statements and ID information.

So, although I accept, as do Handelsbanken, that they could have done better in the way they handled these requests, I'm satisfied that Handelsbanken were entitled to ask Mr M for this information. And looking at the information provided I would like to reassure Mr M that I haven't seen any evidence of Handelsbanken acting inappropriately.

#### *Customer service*

Mr M has said he is upset with the way he has been treated by staff at the branch since 5 September 2018. He feels he has been harassed and believes that the bank have been wanting to close his account all this time.

As I have mentioned above, I don't think the bank have acted unfairly in closing Mr M's account. In addition, I'm satisfied Handelsbanken were entitled to ask for the information they requested to comply with their legal and regulatory obligations. I have seen no evidence that Handelsbanken wanted to close Mr M's account from 2018 or that any requests for information were fuelled by a desire to close his account.

Handelsbanken themselves have acknowledged they could have done better because of the way they asked for the information and didn't keep track of what had been previously provided. They have acknowledged Mr M's distress at the way he was treated in branch. They have apologised and upheld this part of his complaint.

I appreciate it caused Mr M annoyance and distress to receive a letter from the bank about how they would communicate with him even though his account was closed. I know Mr M

didn't want to complain to the bank. The bank nevertheless investigated and agreed this shouldn't have happened – they apologised.

I have considered the way Mr M was treated and the service he received from Handelsbanken. Although the bank has apologised, I think they should pay Mr M £100 in compensation for the distress and inconvenience caused to Mr M. I can see that receiving letters after the account was closed and being asked for information that had already been provided caused Mr M distress and contributed to his concerns.

Mr M mentioned he was unhappy Handelsbanken were planning to charge him a monthly fee for having his account. I can see that he was never charged the fee, so he hasn't incurred a loss here. However, I am satisfied that the terms and conditions of the account he agreed to at the time he opened it, allow Handelsbanken to add charges.

In summary I acknowledge that having his account closed caused Mr M a great deal of inconvenience, but I am satisfied Handelsbanken didn't act unfairly when they closed the account, and I won't be asking them to reinstate it. They could have provided Mr M with a better customer service in particular in the way they asked for the information they required and in the post closure correspondence, so I am asking Handelsbanken to pay Mr M £100 in compensation.

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

Handelsbanken haven't provided any further comments.

Mr M has said I have contradicted myself in the provisional findings. Mr M doesn't think the closure of his account is related to Brexit but is for commercial reasons and I have later in the provisional decision referred to Handelsbanken being entitled to make commercial decisions about who they provide accounts to.

Mr M has said Handelsbanken should have requested more information at the time he wanted to open the account instead of waiting until years later. Mr M thinks that Handelsbanken wanted to get customers through the door and then discarded them when it suited them.

Mr M has said he wouldn't want to continue banking with Handelsbanken even if they were to offer to reinstate his account.

Mr M is unhappy with the level of compensation and suggests that £10,000 would be more appropriate for the way he has been treated. He has looked at information on our website and believes he has suffered trouble and upset, distress and inconvenience and mental anguish and he thinks the compensation should reflect this.

Now both sides have had an opportunity to comment I can go ahead and issue my 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.

In response to the provisional decision Mr M has highlighted a number of concerns, which I'll now address below.

Mr M has said I have contradicted myself. I disagree. In my provisional decision I said Handelsbanken said they would no longer be offering accounts to customers living outside the UK because of Brexit. This is a commercial decision that Handelsbanken have made, and they are entitled to make these types of commercial decisions. Mr M's comment suggests that a commercial reason is somehow arbitrary, but I don't agree with this interpretation. As I have said the bank can make a commercial decision to close a customer's account and they are entitled to do so.

I have outlined financial institutions have legal and regulatory obligations that they have to comply with. These apply not only when an account is open but is ongoing. Mr M implies that Handelsbanken didn't do proper checks when they opened the account and therefore had to do checks later on. However, although Handelsbanken likely carried out checks when they opened the account for Mr M, they were entitled to request further information from him and review his account when they did because of their ongoing legal and regulatory obligations. So, I don't think they have done anything wrong here.

I note that Mr M would prefer not to bank with Handelsbanken.

Mr M has said he considers the level of compensation awarded to be insulting. He has looked at our website. The Financial Ombudsman Service publishes on its website information about the awards we made for distress and inconvenience, or non-financial loss. Having looked at all of the circumstances of this complaint I'm satisfied that £100 compensation is fair and reasonable in this case and is in line with awards made in similar circumstances. Mr M hasn't provided me with any further information which would lead me to change my original conclusion.

I have considered all the evidence originally provided as well as the comments made in response to my provisional decision. Having done so I am not persuaded that I should change my provisional decision.

In summary, I appreciate that Mr M will be disappointed by my decision, but I see no reason to depart from my provisional findings. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

### **My final decision**

For the reasons stated above I partially uphold this complaint. I direct Handelsbanken Plc to pay Mr M £100 compensation for the trouble and upset caused by Handelsbanken's communications.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 August 2023.

Esperanza Fuentes  
**Ombudsman**