

The complaint

Mr J complains that HSBC UK Bank Plc wouldn't open fixed rate savers accounts and hadn't removed his former wife's name from his existing savings accounts. He wants her name to be removed and the savers opened with interest paid from 21 January 2021.

What happened

In March 2022 Mr J wrote to HSBC that it hadn't opened the savers accounts he requested on 21 January 2021 and so it should pay him the interest that would have been due on his investment of £195,000 since then. He also requested the transfer of £8,000 from his current account to his savings account, and that four fixed rate savers be opened totalling £205,000.

Mr J said HSBC transferred the £8,000 but hadn't opened the fixed rate savers despite his letter and subsequent calls and he felt HSBC might be intentionally depriving older people of higher interest rates. He said HSBC should pay him the interest that would have been due on his investment of £205,000 from April 2022. Mr J also requested his former wife's name be removed from the savings account that HSBC had told him this would happen in 2017.

Mr J said there was no further progress and so he complained to HSBC again in December 2022. HSBC explained how he could open accounts online or by phone, but said there was nothing to show he had made an account application since January 2021, and it declined to backdate the interest. HSBC offered Mr J £200 compensation for the service he's received.

Mr J wasn't satisfied with HSBC's response and referred his complaint to our service. He said when he tried to open the fixed rate savers account in January 2021 HSBC said they'd need to call him back with wait time around 11 days. He said HSBC told him to open the accounts online, but he was concerned about online banking and wanted paper statements. Mr J said he'd made numerous calls to HSBC between February 2021 and February 2022. He said HSBC told him in June 2021 that he couldn't open the accounts over the phone.

HSBC provided call recordings including a call from March 2022. Its agent tells Mr J that if he is having difficulty opening an account online *'we're definitely able to do it over the phone, that's fine'*. Mr J responded that he would call back during opening hours and checks what these are.

Our investigator recommended the complaint be upheld. She said HSBC hadn't opened Mr J's accounts in March 2022 and gave conflicting information about opening a savers account by phone, and hadn't actioned the name change. She said HSBC should help Mr J open the savers accounts by phone, but didn't think it should pay backdated interest from March 2022 as he hadn't funded the accounts. She thought HSBC should backdate interest from January 2021 to March 2022 as this was when Mr J was incorrectly told he couldn't open an account over the phone. She said HSBC should pay Mr J further compensation of £200.

HSBC accepted this outcome and calculated the backdated interest at £378.68. Mr J did not agree saying the investigator hadn't addressed HSBC's failure to open a fixed rate saver as requested in March 2022. He wants the interest payable on the fixed saver from March 2022 for one year as well as the interest from the previous product the investigator had awarded.

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.

Mr J, who lives abroad, said HSBC failed to respond properly to his requests to open savers accounts and provided poor customer service. Mr J has recently provided some more information, including messages, statements and medical notes. Mr J said he will accept HSBC's offer of interest on his original account application so long as tax isn't deducted.

I've looked at HSBC's records to see if it treated Mr J fairly and reasonably in its dealings with his requests.

I'm pleased that HSBC has agreed to pay Mr J the interest that would have accrued in line with its historical interest rates up from January 2021 until March 2022. I think this is fair as it was during this period that Mr J was incorrectly told by HSBC that he couldn't open an account over the phone. Mr J has said that he would accept the payment of this sum (£473.34 gross) as reasonable.

Mr J also wants interest paid for the period of March 2022 onwards. I can see that Mr J wrote to HSBC in March 2022 as it was unhelpful over the phone. I agree with the investigator that HSBC failed to follow Mr J's written request that it open the fixed rate savers accounts, in fact it doesn't appear to have responded at all, although it followed his instruction to transfer £8,000 of his funds. I think HSBC should have sent a written response to Mr J about opening a savings account. However, Mr J spoke to HSBC call centres by phone that month and was told he could open an account by phone, and he said he would call back and do this.

However, from what I've seen, although Mr J was aware from March 2022 that he could open the savers accounts by phone he didn't pursue this. I've looked carefully at HSBC and Mr J's records of communications, but I haven't seen any evidence to show that there were any further calls from Mr J from March 2022 to set up the accounts. Mr J has recently added that he gave up on HSBC at this time and was suffering from significant medical problems.

Mr J says he was given a number to call to open the account in February 2023 and couldn't do so before this. And so he wants the interest backdated on the savers' accounts from March 2022 to April 2023. Mr J has provided medical evidence that shows he was going through a difficult time during 2022, and I sympathise with him, but I think he could have pursued the accounts opening from March 2022 and needed to do so to ensure his funds were earning interest. This means I can't hold HSBC responsible for its failure to set up his accounts after this point and I haven't asked HSBC to backdate interest from March 2022 to date.

Mr J said he felt sure there are other older people who have difficulties with the internet. And expecting an account holder who lives abroad to go to their branch to transact business is totally unreasonable. I agree that he has had barriers put in his way by HSBC to obtaining his desired accounts and suffered some poor and misleading communications. He has also suffered health problems that have made it more difficult for him to communicate. Mr J also says that HSBC has yet to remove his former wife's name from the savers account.

Mr J has also requested that we require HSBC to pay him the one-year term fixed rate saver interest from 23 March 2023 onwards. He has said that he was in a position to open a fixed rate saver from 21 February 2023 following receipt of HSBC's letter giving him a call centre number. But he didn't do so as he didn't want to compromise any legal action he may wish to

take. Mr J hasn't brought this loss of interest as a complaint to HSBC yet and so it is not something we can consider.

Putting things right

So far as I'm aware, Mr J still hasn't opened the savers accounts and so HSBC needs to assist him in doing so by arranging this by means of a phone call. HSBC should also ensure it has removed Mr J's former wife's name from all relevant accounts.

I agree with the investigator that HSBC has communicated very poorly with Mr J and should pay him £200 further compensation for the impact of the poor service has had on him.

My final decision

For the reasons I have given above, the complaint is upheld in part. I require HSBC UK Bank Plc to pay him the backdated interest of £378.68 on the savers account up to March 2022. This sum has been reduced by 20% in line with UK tax rates. However, Mr J states he is not a UK taxpayer and so once HSBC is satisfied about this it should refund him the remaining 20% of the interest amounting to £94.66.

HSBC UK Bank Plc should, as soon as possible, remove Mr J's former wife's name from the saver account as previously requested. I also require HSBC UK Bank Plc to pay Mr J further compensation of £200 for the distress and inconvenience he has been caused by its poor service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 18 September 2023.

Andrew Fraser
Ombudsman