

## **The complaint**

O, a limited company, complains that HSBC UK Bank Plc unfairly decided to close its account. O is represented by one of its directors, who I'll call Mr B.

## **What happened**

Mr B complained to HSBC after it decided to close his account in January 2023. He says the bank's decision caused disruption to his business because he was unable to access his funds – so he had to borrow money to keep his business running and pay staff.

HSBC explained that it had initiated a safeguarding review on Mr B's account and had written to him several times to request information from him. Given Mr B didn't respond, HSBC said it initially notified him of its decision to close his account in October 2022.

Mr B complained saying he hadn't received any of the communications HSBC says it sent. He questions why the bank didn't try to contact him using other means, such as email or phone. Following the complaint and Mr B's submission of the information the bank required, HSBC decided to re-open Mr B's account. The bank stood by its actions, explaining that it had acted in line with its policies and regulatory obligations.

Mr B asked this service to independently consider his complaint – he wants HSBC to pay him compensation and cover the interest on his loans. One of our investigators decided that HSBC had acted fairly. The investigator felt HSBC had taken reasonable steps to contact Mr B before deciding to close his account. Mr B doesn't agree – he says he never received any of the letters HSBC sent and questions why the bank didn't contact him using other means. Mr B adds that he made branch visits during the relevant period, so he questions why branch staff never flagged the safeguarding review to him.

Because Mr B doesn't agree, the complaint has been passed to me for a final review.

## **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.

Although I empathise with Mr B given the difficulties he faced, I'm not upholding this complaint – I'll explain why.

HSBC says the safeguarding review was triggered on Mr B's account in July 2022. The bank has sent copies of the letters it sent regarding this – I can see three letters were sent between July 2022 and September 2022, each addressed correctly and explain what Mr B needed to do. The letters also point out what steps the bank may have to take if Mr B failed to respond.

I can also see that HSBC wrote to Mr B in October 2022, notifying him of its decision to close his account. The bank followed this up with a further notice in December, extending the planned closure date until 25 January 2023. I can't say for certain that Mr B received these

letters. However, I think it's unlikely that all five letters didn't arrive - Mr B hasn't reported other correspondence from the bank not arriving, nor has he pointed to general problems with receiving post at his business address. So I think HSBC acted reasonably when it wrote to him about its safeguarding review and its decision to close his account.

Mr B questions why HSBC didn't contact him via other means or notify him during one of his branch visits. HSBC says its branch staff aren't trained in handling safeguarding reviews, so it doesn't expect this issue to be raised in branch. I don't find this to be unreasonable – it's up to HSBC to determine its processes in such circumstances and it's not uncommon that only certain departments or members of staff are trained to action specific processes.

HSBC recently provided this service with more information. The bank's records show that Mr B was sent multiple SMS messages between August and December 2022. I haven't seen the content of these messages, but the bank's records show that these were in relation to HSBC's safeguarding review. HSBC confirmed that the number the SMS messages were sent to belong to another one of O's directors – who I'll call Mr H. HSBC says Mr H is also a signatory on the business mandate. Having reviewed the information about O on Companies House, I'm satisfied that Mr H is an active director.

HSBC also says that information about the bank's request would've been visible each time Mr B logged on to internet banking. I've seen examples of such information and I'm satisfied that the bank would've made the messaging reasonably prominent – HSBC says the information would've appeared as both a pop up following a successful log-in, as well as a message banner on the online banking page.

The bank's records show that O's other director's (Mr H) user I.D was used to log on to internet banking throughout the period in question, both via the HSBC mobile app and via the web. So I think it's likely he would've noticed the additional messaging at the time. So I'm satisfied that HSBC took reasonable steps to inform the directors of O about its safeguarding review.

HSBC's terms allow it to close Mr B's account if it provides two months' notice. The terms also allow the bank to close an account if the bank hasn't been given information it has reasonably requested. In this instance, HSBC seems to have given Mr B around three months to provide the information it had requested and gave him an additional three months after issuing him with notice to close his account. So I think the bank's decision to go ahead with the closure of Mr B's account was fair.

I can see that HSBC has since re-opened Mr B's account following receipt of the information it needed. I'm pleased that the bank was able to make an exception here for Mr B.

It's for these reasons that I'm satisfied HSBC acted fairly and reasonably. So I won't be asking the bank to do anything more in relation to this complaint.

### **My final decision**

For the reasons above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 14 March 2024.

Abdul Ali  
**Ombudsman**