

The complaint

Ms A complains that HSBC UK Bank Plc failed to arrange an annual review with her relationship manager, and as a result she has lost interest on possible investments.

What happened

In February 2023 Ms A complained to HSBC that she had not heard from her relationship manager for her annual review which was part of the service offered to her for her accounts and investments. HSBC apologised and offered £100 compensation. The adviser confirmed they had emailed the relevant manager. But Ms A still didn't hear anything from that manager. This continued throughout March 2023 and Ms A was repeatedly told that her relationship manager (or wealth manager) had been contacted.

After Ms A referred her complaint to the Financial Ombudsman Service, HSBC arranged for her to have an online meeting with another wealth manager, and her investments were discussed. I understand that HSBC no longer offers the relationship manager service and has not done so for three years. After the meeting Ms A opted not to make any further investments with HSBC, although paid into her ISA in September 2023.

Our Investigator proposed that, owing to the poor service provided, HSBC should pay increased compensation of £300. Ms A contended that she had been promised a review by HSBC's complaints department, particularly concerning the amount of interest she had lost. She estimated this to be about £3,000 and pointed out that she's still not been given a dedicated contact.

Our Investigator reviewed the position, but didn't think that HSBC should increase the amount of compensation, or pay any financial losses.

The matter has been passed to me for further consideration.

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 know that Ms A contends that she hadn't had any contact from a relationship manager since March 2022, and that concerned travel insurance. But, in light of HSBC's explanation of the position, as I'll set out below, I think it right to look at what might have happened had HSBC arranged a meeting following her complaint in February 2023, particularly before the end of the tax year.

I think undoubtedly Ms A received a poor service from HSBC. Until it explained the position properly to our Investigator in September 2023, she was not told that the relationship manager position no longer existed, nor was she told that an annual review would not now be offered as a matter of course. When she contacted HSBC, she was assured that the relevant manager had been contacted by e-mail. It transpired that that manager was on long term sick leave. I do think that HSBC should have found that out after Ms A didn't receive a

response to its first e-mail. It appears that that manager had not been in position since 2020.

Ms A says she also called a number of times and visited her branch, but still wasn't offered the review. Whilst I can't see any evidence of that from HSBC's files, I have no reason to doubt what she says.

Ms A was then given an interview with a wealth manager in May 2023. Whilst I understand that the wealth manager provides advice on risk based investments, protection and retirement planning, in fact Ms A was given general advice about all of her investments. This appears to be the sort of service that she had when she had a relationship manager.

I think, for the poor service Ms A was given, that £300 is a fair and reasonable amount that HSBC should pay for her distress and inconvenience. Going forward, I don't think that Ms A can expect to have a relationship manager appointed as it appears that HSBC doesn't offer that service anymore. In the interview, the wealth manager did explain that for her ordinary investments Ms A could go online to set up investments or transfer money. Or she could go into her branch and do it. For risk based investments, she was told about the wealth manager service and the likely fees.

Ms A contends that HSBC's complaints adviser had agreed to calculate the loss she had made by not being able to invest in time, particularly as interest rates had gone up so much in the past few months. In fact HSBC has told us that it doesn't think that Ms A has made any financial losses as a result of not being offered the appointment in time.

In order to make any award for financial losses, I would have to be persuaded that, by not having her expected annual review, it is likely that Ms A lost the opportunity to make investments that could have paid her higher interest rates. I notice that she had a loyalty ISA, which paid interest of 2.5% so long as she paid into the ISA within 12 months of the date of each payment. If she didn't pay in then the interest rate dropped to 2.1%. I note that Ms A was advised about this in letters from HSBC in March 2023. As far as I understand it Ms A did not pay into her ISA until September 2023 and this would have been more than 12 months from her last payment. I don't think however that HSBC should pay the loyalty bonus rate. Whilst I appreciate that Ms A wanted to wait until she spoke to her relationship manager, I understand that she only had to pay in £1 to maintain the bonus rate.

The other investment Ms A could have added to was a saver account which paid a rate of 2% for investments above £10,000. She could have transferred funds from her other investment account which was paying 1.6%, but I note that the rate dropped to 1.3% if any withdrawals were made. Bearing in mind that Ms A chose not to make further investments or transfers until her payment into an ISA in September 2023, I'm not persuaded that it is likely that she would have moved any further funds into the higher rate account.

And lastly the wealth manager did discuss with Ms A the possibility of Ms A putting money into fixed rate accounts which did not allow withdrawals for a year. However it does appear that if Ms A had put money into a fixed rate account earlier, given that interest rates were rising, she could been locked into a lower rate of interest by tying up her funds for a year.

So overall I don't think I can say that it is likely that Ms A lost any money by not being able to invest earlier than the interview in May 2023. For the admittedly poor service and keeping her informed and in arranging that meeting, I do think that £300 is a fair and reasonable amount to pay by way of compensation for distress and inconvenience.

Putting things right

HSBC should pay Ms A £300.

My final decision

I uphold the complaint and require HSBC UK Bank Plc to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms A to accept or reject my decision before 27 November 2023.

Ray Lawley
Ombudsman