

The complaint

Mr S complains about the service he received from HSBC UK Bank Plc when trying to open a new bank account.

What happened

In May 2023, Mr S tried to open a bank account with HSBC. On visiting a branch to complete the process, HSBC mistakenly told Mr S that his application had been unsuccessful. After Mr S complained, HSBC paid him £50 to apologise and asked him to visit a branch with identification so that it could retrieve his application and open the account.

HSBC does not have any record of Mr S returning to a branch until late June 2023 by which time the account application had lapsed.

In early July 2023, Mr S made a fresh account application to HSBC but this was declined. Mr S could not understand why this happened as the only thing that had changed was his address.

Our investigator didn't recommend that Mr S's complaint be upheld. In summary, he thought HSBC's compensation of £50 to apologise for the mistake over the first application was fair. Our investigator told Mr S that when he applied online for an account the second time, he applied for a bank account rather than a basic bank account as he had done previously. And that this second application was declined due to negative data on Mr S's credit file.

Our investigator said that HSBC's data showed that it recommended a different product which was likely to have been a basic bank account but that there was no record of Mr S then applying for a basic bank account.

Mr S was unhappy with the investigation outcome saying that not everything had been addressed as part of his complaint. Mr S said that our investigator should listen to the calls that he had with the complaint handling team. Mr S said that after HSBC declined his second application, he told the complaint team that he was trying to apply for a basic bank account.

Our investigator asked HSBC for the call recordings. HSBC said that had only found one call recording from 6 July 2023 and that it could not hear Mr S discussing a basic bank account.

HSBC agreed to remove two of the hard credit searches from Mr S's credit file and our investigator thought this was fair.

Mr S asks that an ombudsman consider his complaint and is unhappy with the length of time this has taken.

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 may not comment on each and every point that has been raised, this does not

mean I have not read and considered everything that has been provided. Instead, I have focussed on what I consider to be the key points. This is not intended as a discourtesy – it simply reflects the informal nature of this service.

HSBC acknowledges that it incorrectly informed Mr S in branch that his application for a basic bank account had been unsuccessful. I appreciate this was inconvenient and upsetting for Mr S but I'm satisfied that HSBC's compensation payment of £50 was a fair apology.

When HSBC responded to Mr S's complaint in May 2023 it said he should visit a branch with identification so that his application could be retrieved and the account opened. However, by the time Mr S returned, his account application had expired under HSBC's standard process. So, I don't think it is due to a fault on HSBC's part that the first account application lapsed.

In early July 2023, HSBC rejected Mr S's fresh application due to negative information on his credit file. I appreciate this was frustrating for Mr S but as it was a new application, HSBC had to go through its usual checks.

Although Mr S told our investigator that he requested a basic bank account from HSBC, it appears that he applied for a bank account instead. This may have affected HSBC's decision to decline Mr S's application. As Mr S made the application online rather than in branch, I can't reasonably find that HSBC was at fault for the fact he applied for a bank account rather than a basic bank account.

The evidence supplied shows that when Mr S applied online in July 2023, HSBC recommended a basic bank account as an alternative but HSBC does not have any record of Mr S progressing an application for a basic bank account. Although Mr S says he discussed the basic account during a complaint call, I cannot hear this on the call recording that HSBC has made available to us.

As I'm not persuaded that HSBC acted unreasonably when it declined Mr S's bank account application in July 2023, I don't require it to compensate him for the inconvenience resulting from the failed application. I do however consider it fair for HSBC to remove the credit searches that it conducted on 1 June and 3 July 2023.

My final decision

I think HSBC has already done and offered to put things right. So, my final decision is that as it has already paid £50 compensation, HSBC UK Bank Plc should remove the credit searches conducted on 1 June and 3 July 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 February 2024.

Gemma Bowen
Ombudsman