

The complaint

Mr F complains that HSBC UK Bank Plc (“HSBC”) removed funds from his account which he says this was actioned unlawfully. Mr F is also unhappy with the service received when he raised his complaint.

What happened

Mr F holds a number of bank accounts with HSBC.

On 2 September HSBC received two interim lump sum deduction orders from a government agency. The Orders informed HSBC that by law it must comply with the order at the time it is served and that it would be guilty of an offence if it didn't comply with the requirements associated with the order and that it would be taken to court.

The orders requested that:

1. Funds totalling £989.77 were protected from Mr F's account ending 1652; and
2. Funds totalling £600 be protected from Mr F's account ending 2234.

HSBC immediately froze account ending 2234 but due to regulations which confirm a consumer must have access to a basic bank account Mr F's account ending 1652 wasn't frozen. Instead, HSBC transferred £989.77 into a holding account to protect the funds from being spent which allowed Mr F to continue to transact on his account.

On the same day HSBC wrote to Mr F confirming the actions it had taken.

Mr F complained to HSBC about this on 4 September. HSBC called Mr F in response on the same day but wasn't able to get through and left a voicemail. HSBC didn't uphold Mr F's complaint as it believed it had acted correctly when actioning the request within the Orders.

Mr F was dissatisfied with this and brought his complaint to this service. He says the Orders were obtained incorrectly and is in dispute with the government agency about this. He says the same thing has happened in the past and the funds were returned to him. Mr F is also unhappy HSBC have refused to provide Mr F with a copy of the Orders and that it didn't notify him before action was taken.

One of our investigators looked into Mr F's concerns but didn't think HSBC had done anything wrong by complying with the Orders that were served on it. Furthermore, they didn't think HSBC were wrong in not providing Mr F with a copy of the Orders or advance notice as they weren't obliged to do this as doing so may've impacted future legal proceedings.

They also thought HSBC had handled Mr F's complaint with the minimal involvement of staff in-line with how Mr F had indicated his preferences.

Mr F disagreed and has asked for an ombudsman's 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.

My role is to look at the problems Mr F has experienced and see if HSBC has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr F back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

The material facts of this complaint and what happened are outlined in the background above, as well as our investigators view. And having considered everything I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

Firstly, I've seen a copy of both Orders and I'm satisfied they are legitimate and there would be legal consequences if HSBC didn't act on the requirements. So I don't think HSBC made an error or did anything wrong in taking the actions it did to protect the funds it was legally required to do. I understand Mr F disputes the legitimacy of the Order but it is not our role to determine this – our role is limited to looking at the actions HSBC took and not that of a third party Mr F is in dispute with.

Furthermore, I appreciate Mr F would've liked to be notified of the action HSBC was requested to take before it did, but I'm sure Mr F understands if it had done this it risked the funds not being protected as it was legally required to do. Advance notice of this would've given Mr F time to move the funds and effectively defeat the purpose of the court orders.

In any case HSBC's terms and conditions allow for both the suspension of customers accounts and the deduction of money and say that it will let the customer know as soon as it can, but don't stipulate this needs to be before the action is taken. So I don't think HSBC treated Mr F unfairly or acted unreasonably in the circumstances by notifying him of its actions after they'd been taken as it was following a legal requirement and notified him as soon as it deemed this was possible.

Mr F is also unhappy that HSBC refused to provide him with a copy of the orders. Although HSBC aren't obliged to provide this information, I'd expect it to try and accommodate Mr F if it could. However, I'm satisfied in the circumstances there is the possibility of future legal proceedings and so I don't think HSBC's actions are unreasonable in withholding the documents in order to minimise its exposure to risk.

Finally, I appreciate how distressing and frustrating the situation has been and no doubt still is for Mr F. But I don't think this situation was caused or made any worse for him by HSBC – but rather the situation was due to the actions of a third party and circumstances out of HSBC's control. From what I've seen I think HSBC has responded promptly to all Mr F's communications and in-line with Mr F's preferences where it could.

And so it follows that as I don't think HSBC has made a mistake or treated Mr F unfairly, I do not uphold his complaint.

My final decision

For the reasons I've explained I've decided not to uphold Mr F's complaint against HSBC UK Bank Plc.

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

Caroline Davies
Ombudsman