

The complaint

L complains about delays and poor service by HSBC UK Bank Plc when its accountant requested information to complete a professional audit.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr S, the owner of L, has explained that in 2022 he had to raise a complaint with HSBC after standard information requested by his accountant for audit purposes wasn't supplied in good time. The complaint was ultimately referred to this service and upheld. HSBC responded to L's accountant's request for audit information in August 2022. Within its response, HSBC said it was moving to an online service as a preferred method of requesting audit information in the future.

On 13 March 23 L's accountant wrote to HSBC at the address they'd previously used to request the audit information required. When no response was received, Mr S contacted HSBC using an email address he'd previously used in 2022 to try and obtain an update. Emails were sent on 18 May 2023 and 16 June 2023 but no responses were received and the audit information wasn't supplied by HSBC. Mr S has told us he also attempted to speak with HSBC on various occasions over the phone to resolve the issue without success. Mr S referred L's complaint to this service and it was passed to an investigator. In September 2023 HSBC wrote to Mr S to confirm it would work with the Financial Ombudsman Service to resolve L's complaint.

During the investigator's review, HSBC advised it had written to L's accountant in August 2022 to say future requests for audit information should be made via a third party online service. As a result, the request that was submitted in writing wasn't dealt with.

Our investigator upheld L's complaint and asked HSBC to pay £400 for the inconvenience caused. HSBC agreed but, on L's behalf, Mr S asked to appeal and said HSBC's August 2022 correspondence only advised the third party online system was its preferred method of requesting audit information. Mr S also said the £400 compensation offered didn't factor the full cost of L's fees to the accountant and time taken dealing with the issues raised. Mr S added that HSBC's response via the third party service didn't include all the information required. As Mr S asked to appeal L's complaint, it's been passed to me to make a decision.

What I've provisionally 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if

I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

During the investigator's review, HSBC advised that in November 2022 it changed the way requests for information to complete audits were made to a third party online service. And HSBC has pointed to its response to L's accountant in August 2022 that included information about its move to the online service. Whilst I note the information provided by HSBC in August 2022, I agree with Mr S that it doesn't specifically say all requests will have to be made via the third party online service.

HSBC's letter refers to its preferred method of receiving these information requests and explains the benefits. But there's nothing in the correspondence that would've led either Mr S or L's accountant to have understood no requests would be accepted if they were made in writing via the post, as in previous years. So whilst I understand HSBC introduced a new system, I haven't been persuaded it was unreasonable for L's accountant to make the request in writing.

I've looked at the initial request dated 13 March 2023 and can see it's addressed to L's local branch – in line with those sent in previous years. The address used is correct. So whilst I understand HSBC may not have any record of receiving it, on balance, I'm satisfied it was sent by L's accountant as claimed. And, on balance, I'm satisfied it was most likely received by HSBC.

Mr S has provided evidence of his emails to HSBC dated 18 May 2023 and 16 June 2023. The email address used matches the one Mr S contacted in 2022 when he was contacting HSBC about problems experienced with a previous request for audit information. Mr S hasn't told us that emails bounced back so I think it's reasonable to accept they were most likely received by HSBC but not responded to.

In my view, Mr S and L's accountant made reasonable attempts to contact HSBC for information required to complete an audit. Whilst I note HSBC's introduction of a new system, I haven't seen evidence that shows it provided clear guidance that confirmed it was withdrawing the ability to request audit information in writing. And I think the level and nature of contact from L's accountant and Mr S ought to have led to a response from HSBC with clear instructions on how to proceed at a much earlier point. I can understand Mr S' frustration with the delay in obtaining the audit information provided.

The investigator asked HSBC to pay L £400 for the inconvenience caused. But in response to the investigator, Mr S explained that didn't cover the additional fees the accountant had applied as a result of the delays. I agree with Mr S that any settlement should cover additional fees unnecessarily incurred by L as a result of the way the audit information requests were handled. So I intend to uphold L's complaint and award the additional costs incurred by its accountant.

I can see Mr S has clearly spent a reasonable amount of time trying to resolve matters and find out why the audit information hadn't been supplied. Our investigator awarded £400, to include the accountancy costs. I think a payment of £400 as well as the additional accountancy costs L has incurred is a fairer way to resolve its complaint and recognises the inconvenience caused.

In response to the investigator, Mr S said HSBC's response to his accountant didn't include information required but didn't specify what was missing. In response to this provisional decision Mr S should highlight what information remains outstanding. Mr S should also arrange for L's accountant to supply an itemised invoice showing the additional costs

incurred (above those normally applied for work of this nature) caused by the way HSBC dealt with their requests from 13 March 2023 onwards.

I understand Mr S may feel that HSBC's current process for requesting audit information online is unfit for purpose. But HSBC is free to decide how it processes request of this nature, including what systems and services to use. Mr S should be aware that, going forward, L's accountant will likely need to request audit information online as HSBC has said.

I invited both parties to respond with any additional comments or information they wanted me to consider. HSBC responded and asked for an itemised invoice from Mr S' solicitor. Mr S provided an itemised invoice for £175 from his accountant. Mr S also said the audit information requested for 30 September 2022 remains outstanding despite being requested on several occasions. Mr S said his accountant cannot complete the audit until the information is provided by HSBC which means he remains in breach of his professional regulations.

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'd like to thank Mr S for forwarding the invoice from his accountant. We will pass the invoice onto HSBC and it will be obliged to cover that cost if Mr S accepts this final decision.

In response to the provisional decision, Mr S explained that the information required by L's accountant to complete the relevant audit remains outstanding. Whilst I agree HSBC didn't clearly communicate the change in the way it operated at the time, it has since confirmed that the audit information requests need to be completed online. So L's accountant will need to arrange to complete the request online, in line with instructions provided by HSBC, to obtain that information.

I appreciate this is the subject of L's original complaint and, as I noted in my provisional decision, I agree that HSBC failed to make its requirements clear in the original communications it sent. But HSBC's confirmed the audit information has to be requested online via the portal details provided. So L's accountant will need to use the online portal to request and obtain the information they require. I've factored the inconvenience caused into my award.

I remain satisfied that a payment of £400 in respect of the inconvenience caused to Mr S and a further payment to cover the additional accountant's costs incurred is a fair way to resolve this complaint. So I'm going to proceed on that basis and uphold Mr S' complaint.

My final decision

My decision is that I uphold Mr S' complaint and direct HSBC UK Bank Plc to settle as follows:

- Pay Mr S £400 for the distress and inconvenience caused
- On receipt of the itemised invoice from L's accountant, pay the additional costs incurred due to the delays in providing the audit information requested

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 17 April 2024.

Marco Manente
Ombudsman