

## **The complaint**

Mr P complains HSBC UK Bank Plc didn't treat him fairly when it placed a restriction on a business account he holds.

## **What happened**

In summary, Mr P's account received a credit on 27 December 2023 for just over £200. HSBC placed a restriction on the account, following a report from a third-party bank that its customer had reported it was as a result of a fraud/scam. The restriction meant that the account couldn't be used until some checks could be completed.

Mr P needed to make an urgent payment to a supplier on 9 January but couldn't because of the restriction. He called HSBC. He was appalled to learn that no one had contacted him about it since 27 December.

HSBC said it had sent a letter, but Mr P hadn't got it and felt someone should have still called as a courtesy. He explained he was at home unwell and wanted the restriction removed immediately, as it was preventing him from paying a supplier and the bank's online chat facility had been unhelpful.

An agent asked Mr P if he'd been expecting the payment and what it might be for. But he didn't know. He said it could be a mistake or a payment for a purchase on their website. He couldn't check until he was back at work the following day and said he didn't give his permission for the payment to be returned.

Mr P asked what would happen. The agent said that without any further information the restriction would have to remain. However, Mr P didn't think HSBC had the right to do that. The call deteriorated, with it eventually being terminated by the agent.

The agent called back to resume the discussion. He asked Mr P if he could check the reference on the payment with people in his office. Mr P said he couldn't do that until tomorrow when he'd be back at work and could speak with his back office. He stressed he didn't think the restriction was fair. The agent said it would have to stay on for now.

Mr P called back the following day and spoke to another agent. He explained the situation, reiterating someone should have contacted him in December and he'd been left to discover the restriction himself, which had lost him £1,400 because he was unable to make a payment.

Mr P told the agent that he had now checked the incoming credit and there wasn't a record of an order. The agent asked Mr P if he was happy to return the funds in the circumstances and he said yes. The agent removed both the payment and the restriction. She also logged a complaint about what had happened.

HSBC issued a response. In relation to the restriction and the payment, it didn't think it had made a mistake. It said it had a duty to comply with regulatory obligations which entailed making checks. It had sent a letter asking Mr P to contact it. It went on to say that its staff

deserved to be treated with respect and it was unfortunate Mr P had chosen to use an abusive tone. If said that if this continued it would have to consider the banking relationship.

Mr P wasn't happy with the response and asked us to take a look at what had happened. One of our investigators didn't think Mr P had been treated unfairly by the bank.

Mr P didn't agree and so the case was put forward for a 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.

It's clear Mr P feels strongly about what's happened. He's made a detailed submission in support of his complaint, which I have read and considered. I hope the fact that I do not respond in a similar manner will not be taken as a discourtesy, as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue. The main question is, did the bank make a mistake with how it handled the restriction. I don't find that it did. I realise Mr P will be disappointed, so I'll explain why below:

- Mr P says that HSBC shouldn't have been able to put a restriction on his account for any reason. But that's not a view I share. One of the most common types of fraud in the UK at the moment relates to payments. So, circumstances depending, there will be occasions where a bank needs to review a payment to one of its accounts if it's had a report of a fraud/scam. That's what happened here. HSBC received a report about the payment in question and I'm satisfied its terms and conditions allowed it to suspend the account so that it could do checks.
- I understand Mr P found the chat facility unhelpful and he was inconvenienced. But the bank needed to speak to him on the phone or in person.
- Mr P told HSBC that it had two weeks to contact him from 27 December. However, the evidence shows that there wasn't a report from the other bank until 8 January. Given this, there wouldn't have been anything to notify him of until this point.
- HSBC sent a letter the same day on 8 January. I've seen a copy. I agree letters can take time to reach the recipient and so a call would have been helpful. But ultimately, I don't think this would have led to a different outcome on the complaint, as Mr P was in contact with the bank the next day. Also, the restriction only went on the account towards the close of business on 8 January. Therefore, it's possible a call may have still been made the next day (as the investigator explained).
- I appreciate lifting the restriction was important to Mr P from the outset, not least because he wished to make a payment to his supplier and he's described the problems this has caused his business, but the bank needed the information to do its due diligence. The next day, after checking with his office, Mr P said there was nothing suggesting a corresponding order and he gave his permission for the funds to be returned. HSBC acted on this promptly and removed the restriction straight away.
- I've no reason to think this couldn't have happened the day before if the same information could have been provided. I recognise Mr P was at home and unwell at the time, which made this difficult. But I don't think it would be fair to hold HSBC

responsible. Because as soon as it got the information the restriction was lifted.

- I don't intend to get too drawn into the tone of some of the calls. I appreciate Mr P was frustrated. Notwithstanding, staff should be treated politely. Overall, I don't think the agent did anything wrong in the calls. Indeed, I note he called again after the first call ended.

Having considered the matter, I won't be requiring HSBC to do anymore.

### **My final decision**

For the reasons I've given, my final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 September 2024.

Sarita Taylor  
**Ombudsman**