

## **The complaint**

Mr G1 complains that HSBC UK Bank Plc placed a block on a joint account that he held together with Mr G2.

This complaint is brought with the consent of Mr G2 as the joint account holder, but as Mr G1 has dealt with the complaint I'll mostly refer to him in my decision.

## **What happened**

Mr G1 complained to HSBC when he found he was unable to transfer money from an account held in his sole name to the joint account he held with Mr G2. It was Mr G1's usual practice to do this in order to cover a payment he wanted to make via the joint account.

HSBC explained that an 'inhibit' (also known as a 'block' or 'suspension') was placed on the joint account when an account statement addressed to the joint account holders was returned in the post. HSBC said it had acted correctly in line with its procedures and didn't uphold Mr G1's complaint about what happened. It nevertheless allowed a temporary lifting of the suspension so Mr G1 could access the account and allow time for him to get the matter resolved with Mr G2.

Mr G1 didn't feel this was a satisfactory response and so he brought his complaint to us.

Our investigator didn't think HSBC had done anything wrong and he explained what Mr G2 needed to do in order to have the account block lifted so that Mr G1 could access the account.

Mr G1 disagreed with our investigator, mainly saying that he has a copy of the statement that HSBC said was returned, so '*...what HSBC has said is not the truth*'. And Mr G1 doesn't feel that the investigator has properly considered or answered all the complaint points or given due weight to what Mr G1 has said, whilst accepting at face value what HSBC told us.

The complaint has come to me for a final 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.

I've carefully listened to the recordings of Mr G1's calls with HSBC and with us. I can understand why what's happened has been frustrating for Mr G1, especially since he wasn't able to resolve the issue himself and it was up to Mr G2 as the joint account holder to take action. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

My role is to consider the evidence presented by both sides and reach a fair and reasonable decision. I must be impartial. And I make findings on a balance of probabilities, in other words, what is more likely than not, based on the evidence that has been provided by the parties. In order to be able to uphold Mr G1's complaint, I have to be able to fairly say that HSBC did something wrong or treated Mr G1 in a way that wasn't fair and reasonable, and that this caused him loss. So I've looked at what happened, keeping all this in mind.

HSBC has explained why returned post triggered concern at the bank that an addressee might not be based at the address HSBC held on file. This process is in place as a fraud prevention measure in the interests of HSBC's customers to help keep their money safe.

I've taken into account that Mr G1 told us he's got a copy of the same information that HSBC said went missing. But HSBC's system shows the returned postal item was scanned so I've no good reason to doubt what HSBC says about this. It wouldn't be unusual for information to be sent to each joint account holder – even if they both provided HSBC with the same correspondence address (as here). So it's possible that Mr G1 has a copy because only one of the items sent in the post was returned.

The relevant account terms and conditions, which both Mr G1 and Mr G2 would've agreed to in order to be able to use the account, allowed HSBC to block the joint account in these circumstances.

So I don't find that HSBC made any error when it applied the block to the joint account.

Records supplied by HSBC show that, when this happened, HSBC sent an SMS alert to the respective phone numbers held for both the account holders, Mr G1 and Mr G2, asking them to get in touch. This is in line with HSBC's business process. It is not HSBC's policy to call a customer when returned post is received. It's not up to the Financial Ombudsman Service to tell banks how to run their business. So whilst I appreciate Mr G1 has his own view about what the remit of this service should be, this doesn't change the outcome here.

When Mr G1 first made contact with HSBC, he was unaware that it was the block on the joint account that was preventing him from being able to transfer money into the account. HSBC assisted by explaining how he could pay his credit card bill direct and arranged this for him over the phone. As this was a first time payee arrangement, Mr G1 had to set this up by phone.

HSBC also allowed Mr G1 temporary access to the joint account to ensure he was able to access funds – and explained clearly to him what needed to happen for the block to be lifted.

HSBC is required to satisfy itself that it holds correct and up to date contact details for both joint account holders. Mr G1 was in regular contact with the bank and HSBC was satisfied that his details were accurate. HSBC had no reason to think Mr G1 wasn't at the address it held on record for him or that writing to him at that address potentially put him at risk of being a victim of fraud.

But it didn't have on record complete and up to date details for Mr G2, he didn't actively use the account and he wasn't known to the bank the same way as Mr G1. So it's reasonable in these circumstances that HSBC asked to see evidence from Mr G2 verifying his identity.

HSBC explained Mr G2 could attend at any HSBC branch with his driving licence. I don't consider that was an unusual or unduly onerous requirement in the circumstances. Mr G1 confirmed this would be something that could be arranged and that Mr G2 could probably do. HSBC's records show that Mr G2 updated his contact details in early March 2024 when he completed the required ID checks and verification.

Mr G1 had only limited communication with Mr G2, who used Mr G1's address but didn't live at home. Mr G1 told us that Mr G2 travelled for work, moving frequently, and he didn't regularly keep in touch. I can see this made it difficult for Mr G1 in this situation when he needed Mr G2 to take action to unblock the account so Mr G1 could access the money in the joint account. And I appreciate that Mr G1 regarded the joint account as 'his' account – he'd had it open for many years before Mr G2 was added to the account, the account was funded by regular payments due to Mr G1 and he told us that Mr G2 didn't use the account at all.

Nonetheless, both joint account holders have equal rights over the joint account - whatever the reason behind Mr G1 and Mr G2 setting up this arrangement and irrespective of the fact that Mr G2 doesn't use the account for banking purposes. So it follows that HSBC needed to be satisfied it held correct and up to date information for both the joint account holders before allowing either one of the account holders to operate the account.

The temporary lifting of the inhibit placed on the account was done as a gesture of goodwill to assist Mr G1. HSBC recognised the circumstances were potentially problematic for him as he needed to be able to fund the account to cover direct debits that would fall due. It doesn't mean that HSBC did anything wrong when it did this or that it should've lifted the block altogether.

Mr G1 said that HSBC should've known it had correct address details because it had only recently sent him correspondence relating to another product and that hadn't been returned. And he mentioned that there was a history of problems with post at his address for which Royal Mail had apologised. But none of these things affects the outcome here because this isn't directly relevant to the question I must ask: *did HSBC make any error here or act unfairly or unreasonably towards Mr G1?* And for the reasons I have set out above, I haven't seen enough to be able to say that it did.

Mr G1 has raised several different complaint points over the course of this matter and I acknowledge that he feels very strongly about what happened. If I have not referred to each point he's raised it's because I have nothing further I can usefully add to what our investigator has said already. Both HSBC and our investigator have already suggested that Mr G1 reconsiders whether the joint account is the best arrangement to have in place in these circumstances.

I have concentrated on what I consider to be the main points that affect the outcome of his complaint. Whilst my decision will be disappointing for Mr G1, I hope that setting things out as I've done helps to explain how I've reached my conclusions.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mr G to accept or reject my decision before 25 June 2024.

Susan Webb  
**Ombudsman**