

## **The complaint**

Mr U complains about how HSBC UK Bank Plc (HSBC) treated him when he attempted to open a bank account, and how they handled his complaint.

## **What happened**

In September 2023, Mr U, an existing HSBC account holder abroad, applied for a bank account online with HSBC UK then went to his local branch to complete opening. There were issues over the paperwork that Mr U had brought as proof of address in that the format did not match that which HSBC required so the account could not be opened. Mr U also made the branch aware that he was an existing customer abroad of HSBC's Premier service. As this offers global recognition, the staff member in branch tried to locate Mr U on their systems but was unable. Mr U asked to speak to an HSBC Premier Manager, but none were available as they are not situated in the branch on a full-time basis.

Mr U had conversations with several staff members in branch that day as he was unhappy about the lack of HSBC Premier recognition, the stipulations around his paperwork and, how he felt he was spoken to and dealt with. As a result, he made a complaint which HSBC investigated.

HSBC said they could not identify any errors they had made. They acknowledged their lack of Premier staff representation but said this would not have changed anything as the dispute was over account opening. They addressed Mr U's concerns about the proof of address saying they had followed their policies and processes, although they did say 'it appears these did not land well'. Finally, in terms of how Mr U was treated, HSBC said they believed some confusion was caused by the titles of two staff members whom Mr U spoke to, but found nothing else.

Remaining unhappy, Mr U brought the complaint to our service mentioning how HSBC made him feel in the branch saying they were discriminatory. He reiterated he was a Premier customer abroad, and remained unhappy they did not open an account.

During the investigation, our investigator liaised frequently with HSBC, and Mr U, including sourcing proof of Mr U's Premier customer status abroad. After several weeks, HSBC subsequently found Mr U's details with HSBC Premier abroad, citing a title issue of Mr U's which prevented them from initially locating him on their system.

After our investigator completed their review, they said they didn't think that HSBC had acted entirely fairly. They explained that HSBC must abide by regulations for all account opening but could have done more when attempting to locate Mr U on their systems as it turned out he was indeed a Premier customer abroad. In recognition of the misunderstanding about his Premier status and how they explained their procedures, our investigator recommended HSBC pay Mr U £200 for the trouble and upset caused.

HSBC accepted this however, Mr U responded saying that he regarded the £200 as an insult and he maintained his belief that HSBC were discriminatory, and also that they lied. As a result, the complaint has been passed to me as an ombudsman to review.

### **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 have looked at the information HSBC has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr U fairly.

It is always regrettable when we see a relatively simple process like opening an account result in a prolonged experience and I sympathise with Mr U for the frustration he experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer.

In terms of HSBC's account opening process and their documentary requirements, they are entitled to have these regulator-approved procedures in place for various business reasons including 'know your customer' and, are also entitled to ensure they are in a prescribed format. I know these procedures caused frustration to Mr U but they are not something that can be omitted.

Mr U feels very strongly about how he was treated in the branch saying it was discriminatory, racist and he felt manipulated but I've not seen any evidence of this so I can't address these concerns.

What I do want to address is how HSBC dealt with Mr U when they attempted to locate him on their worldwide database of Premier customers. They said that using the information he provided at the time, they could not find his accounts but after Mr U provided further information at a later date, they were successful. I agree with the investigator that HSBC didn't treat Mr U fairly as I don't believe they undertook a sufficiently extensive search of their database initially. Had they had done so, they would have located him, such was the minor aspect of Mr U's title that was the issue. As we have seen, had HSBC UK confirmed Mr U as a current Premier customer when he was in the branch, it's likely that all the subsequent issues would have been avoided, other than the proof of address format.

Since the complaint has been with our service, our investigator has, as part of their investigation, had to reach out to HSBC several times to obtain information and evidence, and to clarify facts. And I can see this has caused frustration to Mr U in terms of timescales and the amount of communication. Whilst I can see how some frustration may be caused, our investigators must focus on ensuring that a full investigation is undertaken and a regular approaches to businesses are part of this.

With all of the above factors considered, I agree with the recommendation of our investigator for HSBC to pay Mr U £200 compensation. I know Mr U will be unhappy with my decision but it's vital that I look at the case using the facts, and compensation through the lenses of fairness and reasonability.

**My final decision**

For the reasons I have given it is my final decision that the complaint is upheld and I require HSBC UK Bank Plc to pay Mr U £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 11 June 2024.

Chris Blamires  
**Ombudsman**