

## **The complaint**

Mr M complains HSBC UK Bank Plc (“HSBC”) closed his account - held jointly with his mother - without his consent. He also complains that HSBC provided poor service.

Mr M says that the closure led to regular payments being missed, leading to threatening letters from creditors for non-payment.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In March 2024, Mr M’s mother – the joint account holder – asked HSBC to close their account. When Mr M discovered what had happened, he complained. HSBC upheld Mr M’s complaint in part. Some of the key points it made were:

- HSBC were sorry some of its staff couldn’t explain why the account had been closed and provided him with incorrect information
- The account was closed in line with the terms and conditions of the account
- HSBC is sorry it didn’t clearly set Mr M’s expectations regards complaint timescales. As HSBC let Mr M down in terms of the service he received, it offered him £75 compensation which he declined

Mr M referred his complaint to this service. One of our Investigator’s looked into it, and they made the following key findings:

- The joint account could be closed by any one of the joint account holders in line with HSBC’s terms and conditions of account provided its notified of any special circumstances which it needs to take into consideration
- Mr M can re-instate previous payments by tracing them through previous bank statements
- HSBC has apologised and recognised some of its errors in relation to the information it provided and inadequate customer service. The £75 it offered is fair compensation

Mr M didn’t agree with what our Investigator said. He has sent in excerpts from a web page which he says shows HSBC needed both parties to consent to affect a closure of the account. He adds that this is what he was told verbally, and £75 compensation isn’t sufficient given the distress and inconvenience he’s suffered.

As there is no agreement, this complaint has been passed to me to decide.

## **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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

HSBC has sent me a copy of its banking terms and conditions. These say they are effective from November 2021. Section 5, which deals with joint accounts says:

*“Any joint account holder can use the account. They can get information about the account and ask us to make or stop payments. They can also apply for an arranged overdraft, and close the account and have the money in it paid to them”*

Given the most current terms, effective from September 2024, repeat this, I'm satisfied HSBC hasn't done anything wrong in accepting the instructions of the other joint account holder without also getting Mr M's consent. I note Mr M has sent in screenshots which he says shows HSBC needed his consent too. But the terms and conditions underpin the contractual basis of his former account with HSBC – so I must give weight to that.

I'd also add that I don't know the source of this information given they are screenshots and not the web links. Nor have I seen any evidence that Mr M was told something contrary by HSBC's staff. If there were any sensitive or extenuating reasons why HSBC should have sought Mr M's consent, I'd have expected it to act accordingly. But Mr M hasn't said this was the case and nor have I seen HSBC were on notice about any such reason.

So, to be clear, HSBC has done nothing wrong in the way it closed the account by accepting instruction from only one of the joint account holders. Generally, joint accounts operate on a 'joint and severable' basis.

HSBC accept that it gave Mr M incorrect information as to why the account had closed, provided inadequate customer service, and poor information about how his complaint would be handled. HSBC offered Mr M £75 for any distress and inconvenience this caused. I'm satisfied it doesn't need to do anymore.

## **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 October 2024.

Ketan Nagla

**Ombudsman**