

The complaint

Mr L complains that HSBC UK Bank Plc closed his accounts without good reason and without telling him why it acted as it did.

What happened

Mr L held five accounts with HSBC – a current account, a savings account, a credit card account, a currency account and a mortgage.

On 19 December 2023 HSBC wrote to Mr L to say that it would be closing all of his accounts, with the exception of the mortgage account, on 21 February 2024. The bank's letter said that Mr L should transfer money in the accounts to a different provider and that he should make arrangements for his mortgage to be paid from an alternative account.

Mr L made alternative arrangements, as he already had an account with a different provider, and his HSBC accounts were closed.

Mr L complained about what had happened. HSBC said however that it had acted within the account terms and had been within its rights to close his accounts in the way it had. Mr L referred the matter to this service. Our investigator initially indicated that she was minded to uphold the complaint, as she was not persuaded that HSBC had closed the accounts for a good reason. HSBC provided more evidence – in confidence – and the investigator issued a revised assessment, this time recommending that Mr L's complaint should not be upheld.

Mr L did not accept the investigator's second assessment and asked that an ombudsman review the case.

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 is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that HSBC's decision to close Mr L's accounts was a legitimate one. HSBC did not have to tell Mr L exactly why it had decided to close his accounts, but it has provided information to this service which indicates what its reasons were. In doing so, it has asked that that information be kept confidential, as our rules allow, and I am satisfied that it is appropriate for this service to agree to that request.

Where a bank closes a customer's accounts, it should give reasonable notice of its intention to do so. For personal customers, a period of two months is usually sufficient. That is the notice period which HSBC provided here, in line with the account terms. I am satisfied it was reasonable. I note that Mr L already an account with a different provider, to which he was able to transfer funds and from which his mortgage payments could be made. So, whilst I

have no doubt that he has suffered some inconvenience, it was rather less than might otherwise have been the case. I cannot however make an award in recognition of that inconvenience, since I am not upholding Mr L's complaint.

My final decision

For these reasons, my final decision is that I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 October 2024.

Mike Ingram

Ombudsman