

The complaint

Ms C is unhappy that HSBC UK Bank Plc blocked her account while it carried out a review and hasn't given her a reason for doing so.

What happened

On 18 April 2024 HSBC blocked Ms C's account while it carried out a review. Ms C discovered the block was in place around this time and contacted HSBC. It confirmed it was carrying out a review but explained it was unable to give her more information around this.

Ms C was unhappy with this and made a complaint on 22 April 2024. HSBC responded on 30 April 2024. It said the block and review was being carried out in line with the terms and conditions of the account so it hadn't acted incorrectly. It advised her she could visit her nearest HSBC branch to withdraw any salary or benefits.

Ms C visited a branch on 6 May 2024 in order to withdraw money from her account she's said was the equivalent of her salary - deposits of rental income she receives from tenants in properties she owns. HSBC told Ms C it needed further information supporting this was her income, such as rental agreements and tax returns. Ms C provided this evidence on 7 May 2024.

The block was removed on 9 May 2024 after HSBC had completed its investigation and Ms C began using her account as normal. On 14 May 2024, Ms C contacted HSBC again as she remained unhappy her account had been blocked and requested an explanation as to why this had happened. HSBC again stated that it wasn't able to provide this information to her.

Ms C brought the complaint to our service to consider but our investigator didn't uphold the complaint. They said HSBC had acted reasonably and within the terms and conditions of the account in carrying out a review. As Ms C didn't accept this, the complaint has been passed to me to make 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.

I'll start by setting out some context for HSBC's review of Ms C's account. Banks and financial businesses have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for businesses to restrict access to an account to conduct a review on a customer and/or the activity on an account.

HSBC has provided this service with information about why it decided to block and review Ms C's account. Our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses as confidential for a number of reasons – for

example, if it contains security or commercially sensitive information. Some of the evidence HSBC has provided is information that we consider should be kept confidential. This means I haven't been able to share a lot of detail with Ms C, but I'd like to reassure her that I have considered everything carefully.

HSBC are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite HSBC should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

After considering all the available evidence and information, I haven't seen anything to show HSBC was acting unfairly or unreasonably in blocking and reviewing Ms C's account. And I can see that the account terms and conditions allow it to do so.

I understand Ms C wants HSBC to explain the reason it blocked her account. She's said that because it hasn't told her more, it clearly doesn't know the reasons for the block and it wasn't legitimate. But this isn't the case. HSBC doesn't disclose the full details of what triggers a review of their accounts to its customers. So it's under no obligation to tell Ms C detailed reasons behind the account review and block, as much as she'd like to know.

That said, I can see that HSBC has given Ms C some information about this – it's told her the review was carried out because of information it received from a fraud prevention agency. And, it's advised her to contact CIFAS directly if she would like more information about this. So I think it's given her a reasonable amount of information about its review. And ultimately, as I've outlined above, it's provided this service with its reasoning and I'm satisfied the block was carried out for a legitimate reason and this reason was clear to HSBC.

I understand Ms C is unhappy with the inconvenience she was caused while the block was in place. Unfortunately while this sort of investigation takes place it is likely that there will be some inconvenience associated with not being able to use an account. But as I've explained HSBC was entitled to block her account while it reviewed it.

I can see that Ms C was told the day after her account was blocked when she contacted HSBC that she could access her salary and benefits if she went into branch with the required documentation. So I'm satisfied HSBC did what it needed to in letting Ms C know how she could access the funds she needed for her day to day expenses and any bills that would be due. It appears Ms C didn't go into branch until some weeks later, shortly before the block was removed. So whilst I understand Ms C didn't feel the block should've been placed on her account, it seems she may have been able to mitigate the impact of this by visiting a branch to access money she was entitled to.

I've considered whether or not I think HSBC caused unnecessary delays whilst looking into Ms C's account, but I haven't found that it did. Her account was blocked between 18 April 2024 and 9 May 2024. I've seen evidence that supports that during this time HSBC was carrying out its investigation in the background. By the time Ms C visited branch and provided evidence relating to her entitlement to some of the funds in the account its investigation had concluded and the block was removed.

Ms C has said the block was removed shortly after she provided evidence relating to the rental income she receives each month. She's said HSBC should've requested this information from her sooner to avoid the block being in place as long as it was. But this wasn't the only information HSBC needed and it wasn't the only information HSBC was waiting for in order to conclude its investigation. So it's not the case that providing this sooner would've necessarily resulted in the block being removed sooner.

I accept it would have been frustrating for Ms C to be without access to her money and this is an unfortunate part of this type of review sometimes. I also accept it is frustrating that she hasn't been told the reason for the review, but as I've explained above HSBC isn't obliged to share this information with her, although it has provided her with some information about this.

Overall, I don't think the time HSBC took to review Ms C's account was unreasonable so I don't think it needs to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 20 November 2024.

Faye Brownhill
Ombudsman