

## The complaint

Mr C complains as a director of D, a company, that that he couldn't access the business account at HSBC UK Bank PLC for several months leading D to lose large amounts of interest and to suffer inconvenience.

## What happened

In November 2022, Mr C says that he asked for the advice of D's relationship manager at HSBC, specifically about moving sums from its foreign currency accounts to be placed on deposit whilst he was awaiting certain business outcomes and improved exchange rates. Unfortunately at that time the relationship manager left HSBC and no such manager was appointed in their place.

Mr C also says that from that point he couldn't get online access to the account. He says he also contacted HSBC several times via its helpline/telephone banking but they were unable to help instead referring him back to the relationship manager. During that time he also requested duplicate bank statements and HSBC failed to register a change of address for several months.

HSBC's deputy area director took over dealing with the matter and in June 2023 was able to move foreign currency funds to a deposit account, and close a duplicate account. The duplicate bank statements were produced and the change of address was registered.

On referral to the Financial Ombudsman Service HSBC made an offer to pay £500 compensation. Our Investigator thought that was a reasonable way of settling the matter. He noted that there were no blocks on the account and Mr C could have taken other steps to move the funds himself.

Mr C did not agree and pointed out that he could not get online access and that he couldn't get any help from HSBC's helpline, telephone banking or in branch, until eventually the deputy area director responded to his emails in May 2023. He says D has lost interest, based on the amount earned for the second half of 2023, which works out to around £10,700 sterling.

The matter was passed to me for an Ombudsman's consideration. I requested that HSBC provide details of its contact with Mr C in the first half of 2023, including emails and telephone calls. It hasn't done this but merely indicated that the account wasn't blocked and that there was only a problem with online access.

I issued a provisional decision. In it I found that D had no access to its account in the first six months of 2023, either online, by phone or in person. I further said that HSBC must pay compensation equivalent to the amount of interest D would have earned had the funds been invested on deposit from, say, 1 January until 27 June 2023.

HSBC disagreed, it said that:

There are three signatories to the account, each of them had a duty to mitigate any loss.

- It has evidence that Mr C had access to telephone banking, mobile banking and BIB (business internet banking).
- It only has evidence of three calls to the bank via telephone. The call of December 2022 was because the customer had been trying to contact his Relationship Manager who was on leave and needed to cancel a direct debit. There was no mention of needing to transfer funds. The other two calls were in January and June 2024.
- Mr C should be able to evidence any loss of interest and any contact he had with it.

As for Mr C he says he has diary notes showing that he called HSBC (telephone banking / internet banking) on 20 January, 2 February, 7 March, 5 and 26 April.

### **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.

The following were my provisional findings:

*"I think that D clearly had a problem with online access to its account from around November 2022. And from what I can see that problem continued until June 2023 when the deputy area director took over dealing with the account in the absence of a new relationship manager being appointed.*

*During that period I think, according to what Mr C says, and not denied by HSBC, Mr C was specifically asking for duplicate statements for the account but also seeking advice about what to do with the funds on the account which weren't at that stage earning interest. I think that Mr C was not getting the responses he wanted and kept being referred to the relationship manager, who was no longer there. HSBC has admitted a delay in supplying the duplicate statements, closing down the duplicate account and in registering the change of address. During that time D did not have access to its business account online.*

*I think that the £500 offered by HSBC is reasonable to reflect the inconvenience caused to Mr C in his capacity as director of D during that six month period. – meaning D likely suffered inconvenience with its director being so engaged.*

*The question that falls to be decided is whether D had no access to the account and couldn't move the monies during that time. I asked HSBC to provide details of emails and telephone conversations in that time but it has not done so. Neither can I see any reference to it in its complaint notes which deal with what happened after Mr C lodged his complaint. HSBC has accepted that there was no online access to the account. And, in the absence of evidence to the contrary, I don't think Mr C was able to move the account funds himself. He tells us he didn't have a chequebook, and that he didn't get any assistance when he telephoned HSBC and tried to get advice about moving the funds. He tells us also that he emailed HSBC in that time and had no response until May 2023. He further says that he visited the branch and they were unable to help him either.*

*So, based on the evidence that I have been provided with, I find that D had no access to its account in the first six months of 2023, either online, by phone or in person. The consequence of this is that D was unable to earn interest on its funds during that period. So I think that HSBC must pay compensation equivalent to the amount of interest D would have earned had the funds been invested on deposit from, say, 1 January until 27 June 2023. This must be based on the interest rate applicable to the account the funds were invested in*

*after that date. I acknowledge the figure that Mr C has put forward, but as it is a specific financial loss that has been alleged, it will need to be calculated more precisely.*

*HSBC must also pay the £500 compensation it offered.*

*In respect of issues which arose after the final response letter of 15 September 2023, Mr C will have to raise those with HSBC as a further complaint."*

I don't accept what HSBC says about online access to the account. I should emphasise that my findings concerned the period up until June 2023. The fact that Mr C had online access after that, as evidenced by the various documents HSBC has produced is irrelevant in respect of Mr C's complaint. I haven't seen evidence of any activity on the account for the period from January to June 2023.

I don't think it's reasonable to expect the other two signatories to your account to have taken separate action to gain access to the account. I would observe that one signatory has not had access to the account and since March 2017 when security failed. I think it's reasonable to excess that it was Mr C running the business. HSBC has previously admitted that there was no online access during that period.

As to whether Mr C asked about investing the funds, where the evidence is incomplete or unclear, as some of it is here, I have to make my decision based on what I think is most likely to have happened.

Here HSBC says it doesn't have any evidence of Mr C calling or contacting it after December 2022 and before May 2023. Although I don't have complete evidence that Mr C actually made calls to HSBC during this period, I think it's reasonable to accept the call logs he has produced. I also think it's reasonable to say that it is most likely that Mr C did ask for advice about moving the funds to interest bearing accounts, especially as that is what happened after May 2023.

So I still think that HSBC should pay the interest I set out in my provisional findings. Whilst I note HSBC's assertion that Mr C should be able to produce evidence of the interest D would have earned, I think this evidence is easily accessible. It should be based on the interest that would have been earned had the funds been put on deposit as they were after June 2023. That is, HSBC should be able to work out what the interest rate was on the particular savings account that was used after June 2023. It will then be able to calculate, using the amount of funds later deposited, the interest that would have been earned over that period.

So I remain persuaded by my provisional findings. Those findings now final and form part of this final decision

### **Putting things right**

HSBC should pay compensation in respect of loss of interest for the period from 1 January until 27 June 2023, to be calculated as set out above. It should add compensatory simple interest\* at 8% on top of that figure, from the date or dates when that interest would have been payable.

\*HM Revenue & Customs may require HSBC to deduct tax from any award of interest. It must give D a certificate showing how much tax has been taken off if it asks for one.

HSBC should also pay £500 compensation.

### **My final decision**

I uphold the complaint and require HSBC UK Bank Plc to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask D to accept or reject my decision before 9 October 2024.

Ray Lawley  
**Ombudsman**