

## **The complaint**

Ms B complains HSBC UK Bank Plc unfairly closed her account immediately.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

In June 2023 Ms B's HSBC account was reviewed and she was issued with a notice to close letter. This explained that HSBC had made the decision to close the account with immediate effect. Ms B contacted HSBC to query this and was informed she would need to attend branch for more details.

Ms B raised a formal complaint about the closure and lack of information provided by HSBC. HSBC issued its final response letter in June 2024. This explained the account had been closed immediately in line with the account term and conditions. It confirmed the balance on the account had been sent to Ms B by post via cheque. It also acknowledged that Ms B had been given incorrect information during a call about attending branch to discuss the closure. HSC offered Ms B £75 in recognition of the impact this error had.

Unhappy with this response Ms B referred her complaint to this service. An Investigator reviewed the complaint, and in summary, made the following findings:

- HSBC has acted in line with the account terms and conditions by closing the account immediately.
- The information provided by HSBC to this service in confidence shows it had reasonable grounds to close the account in this way.
- HSBC isn't under an obligation to provide further details to Ms B.

Ms B remained unhappy and maintained HSBC had acted unfairly. The case has been referred to me – an ombudsman – for a final 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.

Firstly, I am sorry to see Ms B has had cause for complaint and the impact the account closure has had on her, especially in light of her comments about her health at the time. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

As a UK financial business, HSBC is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing

monitoring of an existing business relationship, and whether that relationship sits within its risk appetite. That sometimes means HSBC will restrict, or in some cases go as far as closing, customers' accounts.

HSBC has explained and given me information to show why it reviewed and closed Ms B's account. Having carefully considered this, I'm satisfied HSBC took these actions reasonably. In addition, HSBC is entitled to close an account just as a customer may close an account with it. But before HSBC closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of Ms B's account allow for immediate closure in specific circumstances. In Ms B's case I'm satisfied the requirements for immediate closure have been met.

I know Ms B feels HSBC has acted unfairly given the lack of information provided to her about the closure. Ultimately Ms B would like a detailed explanation as to why HSBC took these actions. But HSBC isn't under any obligation to provide this. Further the fact Ms B is a long-standing customer isn't a factor HSBC can be reasonably expected to take into consideration when deciding to close an account. It's regulatory duties and terms of the account are the overriding considerations.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information HSBC has provided is information we consider should be kept confidential. Having carefully considered this information, I'm satisfied HSBC acted appropriately and in keeping with its regulatory duties.

Ms B says HSBC's decision to close her accounts caused her significant distress and inconvenience. She says direct debits failed and she had to rely on family. Although Ms B was able to open another account, she says this was a stressful process and she had been declined with another provider. I do appreciate this matter would've caused Ms B difficulty, as Ms B appears to have used the account regularly. The decision to close a bank account immediately can't be taken lightly given the impact it can have on a customer. Based on the information I've seen from HSBC I think its decision to close the account in this way reasonable.

HSBC accepts there were service failings, in particular when Ms B was given incorrect information on the phone. HSBC has offered to pay Ms B £75 to recognise this shortcoming. Ms B doesn't think this amount adequately reflects the impact HSBC's actions had.

Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. Our awards are not intended to be punitive for businesses. The primary purpose of our awards for distress and inconvenience are to recognise the impact on a consumer where there have been shortcomings. In Ms B's case I've considered the timeline of events, and communication received by Ms B, and I'm satisfied the £75 compensation award recognises the stress and inconvenience caused.

I know this will not be the outcome Ms B was hoping for and I know Ms B will be disappointed with the decision I've reached. I hope it provides some clarity around why I won't be asking HSBC to take any further action to compensate Ms B.

## **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 3 January 2025.

Chandni Green  
**Ombudsman**