

## **The complaint**

Mrs T (as trustee of the T Trust) is unhappy that HSBC Life (UK) Limited gave her incorrect information when she was trying to amend the trust attached to her life insurance policy (to update the beneficiaries). She's also unhappy that there were delays sending her the right forms to put this into place.

## **What happened**

I issued a provisional decision explaining why I was intending to uphold this complaint and direct HSBC to pay Mrs T (as trustee of the T Trust) £350 compensation. An extract is set out below:

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In its final response letter dated April 2024 HSBC accepts that it provided Mrs T with incorrect and confusing information about the trust she'd set up to pay a benefit under the policy in the event of a successful claim. This was after she'd contacted HSBC to add a beneficiary to the trust.

It apologised and paid her £100 compensation to reflect the impact this had on her. And by way of a follow up letter dated May 2024 (after the complaint had been brought to the financial Ombudsman Service), HSBC offered an additional £75 compensation to reflect the impact of its "repeated errors".

Given that HSBC accepts that there were errors, the crux of the issue for me to decide is whether the total compensation amount of £175, now offered by HSBC, fairly reflects the distress and inconvenience Mrs T experienced.

At the time of being given the incorrect information, Mrs T was undergoing medical investigations for cancer. I accept that this would've been a very worrying time for her, and I'm satisfied HSBC's errors caused her unnecessary worry and upset at already difficult time for her. And by receiving wrong information she was put to the unnecessary trouble of trying to find out why she needed to add a new trustee when the trust had been in place for a number of years by that stage (seemingly without issue).

I don't think total compensation in the sum of £175 fairly reflects the significant impact on Mrs T at a time when she was vulnerable. Mrs T spent time communicating with HSBC about the wrong information she received, and she says she was put to the unnecessary stress of trying to get her life insurance policy in order when she'd been "in and out of hospital". She says this caused her to lose sleep and was "in tears about who I could have as another trustee and all I wanted was a beneficiary update" (as there's no-one she felt comfortable asking to be a second trustee). I have no reason to doubt what she says about that, and I accept her submissions on this point.

I'm satisfied this upset would've been exacerbated by then being sent a form to change trustees instead of a form to add a beneficiary to the trust and the covering letter enclosing the form said she'd "asked to add a trustee" when she hadn't. She'd asked to update the

beneficiaries under the trust.

I'm also satisfied that given Mrs T had been given the wrong information about now needing to add another trustee to the trust by two members of staff at HSBC – and the subsequent confusion, worry and inconvenience she experienced - why she would reasonably have expected HSBC to explain why she was given that incorrect information in the circumstances. I'm satisfied that she was put to further trouble by trying to get an explanation.

Further, Mrs T was prevented from updating the beneficiaries of the trust for a few months because of the wrong information she was given by HSBC. She wanted to update the beneficiaries as she was undergoing tests for cancer at the time, so I think the delay in preventing her from being able to do this caused further unnecessary worry and distress.

I'm satisfied that total compensation in the sum of £350 more fairly reflects the unnecessary distress and inconvenience HSBC caused Mrs T, which continued over a number of weeks, and, I intend to find, made an already difficult time for her so much more worrying and stressful than it already was.

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I invited both parties to provide any further information in response to my provisional decision. Both parties accepted what I'd said and had nothing more to add.

### **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.

As both parties agree with my provisional decision, I'm satisfied there's no compelling reason to depart from my provisional findings.

So, for this reason and for reasons set out in my provisional decision (an extract of which is set out above and forms part of my final decision), I uphold this complaint.

### **Putting things right**

I direct HSBC to pay Mrs T £350 compensation for distress and inconvenience.

It can deduct any compensation it's already paid to Mrs T as a result of its letters dated April and May 2024 (offering total compensation of £175).

### **My final decision**

I uphold this complaint and direct HSBC Life (UK) Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T as trustee of the T Trust to accept or reject my decision before 6 December 2024.

David Curtis-Johnson  
**Ombudsman**