

## **The complaint**

Mr D complains that HSBC Bank Plc (HSBC) didn't inform him of his account being frozen after HSBC had contact from his local authority regarding his mental capacity.

## **What happened**

In March 2024, HSBC received a letter from Mr D's local authority stating Mr D lacked mental capacity regarding his finances and that it was applying to the Court of Protection to become deputy for his property and financial affairs. As a result, HSBC froze Mr D's accounts.

At the time his account was frozen, Mr D was in a taxi on his way to visit a relative. He said he tried to pay the taxi using his card but it declined the payment. Luckily, Mr D had enough cash with him so was able to pay the fare but said he suffered a lot of distress at finding out his account had been blocked without any notice being given.

Mr D complained to HSBC. He said that he was unhappy it hadn't given him advanced warning and wanted an apology and compensation for the distress caused. HSBC, whilst sympathetic, told him that it had followed its usual procedure in this situation and that it hadn't done anything wrong.

Mr D wasn't happy with this so brought the complaint to our service. One of our investigators looked at the complaint but didn't think HSBC had done anything wrong. Mr D didn't agree, so the complaint was passed to me.

## **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 understand how strongly Mr D feels about this complaint. He has raised a number of points and although I may not mention every point raised, I've considered everything he has said but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this. It just reflects the informal nature of our service.

As an organisation, we don't have the power to review the legal perspective on what HSBC has done. While we do have regard for relevant law, our role is to decide whether or not HSBC has acted fairly and reasonably in the circumstances. So, I will be assessing whether what HSBC has done is fair or not.

I have looked at the letter dated 14 March 2024 HSBC received from the local authority and it states:

*"I refer to the above mentioned person who has been deemed to lack capacity therefore my department acts as Corporate Appointee for benefit purposes. I enclose for your records form BF57 that authorizes my department to act on behalf of Mr D and to receive and administer any money which may be due to him."* It then goes on to say *"I would be grateful*

*if you could freeze Mr D's current account until further notice. I will be in due course applying to the Court of Protection to become Deputy for property and financial affairs for Mr D and once I have been appointed and received the sealed Court order, I will arrange to send you a copy and close the account"*

Although I don't think it's for HSBC to make a judgement about Mr D's mental capacity, I think it was reasonable for it to have concerns about his ability to manage his account because of what it was told. I appreciate that this must be a frustrating situation for Mr D, but given the above, I think HSBC's decision to freeze the account with immediate effect was made with Mr D's best interest considered and it follows that I think that decision was a reasonable one. HSBC have also provided its process document, which confirms the actions taken are in line with what normally happens in these circumstances.

I can understand why Mr D would be upset about not being made aware in advance that this change to his account was going to happen. Especially as he was hoping to use his bank card to pay for the taxi he was traveling in at the time. He has mentioned that this caused him a great deal of stress. I can see from the terms and conditions that HSBC are able to freeze an account without notice when it thinks it is necessary so although I appreciate the difficulty this may have left Mr D in, it is entitled to do it. I was relieved to see that Mr D did have cash with him at the time so was able to pay for the taxi by other means.

Given everything that's happened I don't think HSBC has adopted a particularly unusual or unreasonable approach, especially as it's not in a position to determine Mr D's mental capacity or ability to manage his own finances.

### **My final decision**

I think HSBC Plc has acted reasonably in the circumstances, so I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 January 2025.

Sarah Green  
**Ombudsman**