

## **The complaint**

Mr B complains that HSBC Bank plc ("HSBC") blocked his accounts following an attempt to make a payment. In particular, Mr B is unhappy at the questions HSBC asked him in order to have the blocks removed and that HSBC referred the matter to the police and social services resulting in significant distress and inconvenience for him.

## **What happened**

Mr B has a current account and savings account with HSBC.

In September 2023, Mr B visited a branch to make a payment of £220,000 to an account he held with another bank. HSBC's fraud detection system flagged the payment for further verification checks and placed a block on Mr B's savings account meaning he couldn't make payments from his account.

The bank staff questioned Mr B about why he wanted to make the payment. Although reluctant at first, Mr B told them that he felt under threat of fraud and several people were trying to help him into making investments. And he said he felt vulnerable. Mr B told HSBC that he didn't want the police to be contacted.

When questioned further about the payment Mr B refused to provide any more detail and so due to continued scam and fraud concerns HSBC did not approve the payment and invoked banking protocol.

Following this Mr B visited branch on two more occasions and asked to transfer large sums of money to an account he has overseas. When questioned by staff Mr B told them that he wanted to buy a property as he no longer felt safe living at his home. However, when asked for evidence to support the transaction Mr B couldn't provide anything and said he believed he was being monitored by the police and bank. He also said that his phone had been encrypted.

HSBC told Mr B that if he needed to access the money in his account for a house purchase he needed to bring supporting evidence to a branch, and the transaction would be completed. HSBC also told Mr B that he could access funds over the counter for everyday expenses, which he did to pay his rent.

There were further calls about this following the same pattern where Mr B was advised he would need to speak to HSBC's fraud team which Mr B refused as he didn't want to be asked further personal questions. In some of the calls HSBC were also worried that Mr B was being told what to say. On occasion Mr B became very agitated and disconnected the call as he was concerned the calls were being monitored.

Given the information disclosed by Mr B, HSBC contacted Social Services and the Police to conduct welfare checks with Mr B. The inhibit remained to safeguard the funds. Mr B did not fully engage with Social Services, so concerns remained about Mr B being the victim of a scam or other crime.

In December 2023, HSBC incorrectly removed the block from Mr B's account and allowed Mr B to transfer a large sum of money from his savings account into his current account. However this decision was reviewed and deemed incorrect given Mr B's situation. And the block was reinstated by HSBC.

In September 2024, Mr B completed a closure form for his savings account. The branch wrongly processed this and transferred £220,000 into Mr B's unprotected current account. Following this HSBC decided to inhibit the current account over concerns Mr B was still vulnerable. HSBC requested a letter from the local NHS trust confirming that Mr B was able to make decisions surrounding his finances. But Mr B refused to co-operate with his GP. So, HSBC refused to remove the block on Mr B's account.

Mr B complained to HSBC. He said the bank has treated him unfairly and he believes HSBC has racially profiled him. Mr B objects to HSBC's continued questioning and what he believes to be unfounded suspicions.

In response, HSBC said it hadn't done anything wrong when it had blocked Mr B's accounts and had done so to safeguard him and his funds. It explained that any standing orders or direct debits would still be processed from the account. However, if Mr B needed to access funds from his current account he'd need to contact their Specialist Banking Team.

HSBC accepted that it had made a mistake when it had processed the closure of Mr B's savings account. To put things right HSBC paid Mr B £75 compensation for any trouble and upset this had caused Mr B.

HSBC says it is not happy to remove the blocks as it has concerns Mr B was and continues to be being socially engineered in some way and that it is why it took the action it did by contacting the police and until it receives the police report and a report from Mr B's doctor it can't lift the blocks.

Mr B remained unhappy and brought his complaint to our service, He said he wants to be able to access the money in his account. And he is more than capable of managing his finances and making financial decisions for himself.

One of our investigators looked into Mr B's concerns but didn't think HSBC had treated Mr B unfairly or had made an error when it declined the payment and applied the blocks to Mr B's accounts as although it has a duty to execute payments with due care and skill, it also has a duty to refrain from making a payment if it has reasonable grounds for believing that the instruction is fraudulent. And in this case they thought HSBC did have reasonable grounds for not making the payment and didn't think the questions and HSBC asked were unreasonable. And when Mr B refused to answer the questions, they understood why HSBC felt it necessary to invoke banking protocol and contact the police. And social services.

They acknowledged that HSBC was still awaiting Mr B to provide a letter from his GP and the outcome of the police investigation which had resulted in further delays. The investigator asked Mr B to contact his GP and arrange for a letter to be produced to provide HSBC. But Mr B refused. Mr B also continued to tell the investigator that he didn't feel safe but wouldn't disclose any details. HSBC confirmed it won't remove the blocks until Mr B talks to its fraud team as just because time has passed doesn't mean it should forgo its processes and remove the block especially when Mr B has refused to engage with its fraud team.

The investigator said that the £75 compensation was fair for the mistake HSBC made closing Mr B's savings account.

Mr B says HSBC should lift the restrictions on his account and allow him access to his money. So, Mr B's complaint was progressed for an ombudsman's 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 hope that Mr B won't take it as a discourtesy that I've described and condensed his complaint in the way that I have, I've no doubt about Mr B's strength of feelings on this matter as is evidenced by the amount of correspondence Mr B has submitted to this service. But ours is an informal dispute resolution service, and although I have considered all his submissions and complaint points, I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr B's complaint is that it was unreasonable for HSBC to block the payment as there was no evidence of a fraud or scam and that the continued restrictions are unfair, HSBC's questioning unreasonable, and his money is being held hostage by the bank and he is being monitored.

It might be helpful for me to say here that I don't have the power to tell HSBC how it needs to run its business, and I can't make HSBC change its systems or processes – such as how or when payments are processed or held for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures HSBC needs to have in place to meet its regulatory obligations or when it should invoke banking protocol and its processes around this. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role. That said I don't think it was unreasonable for it to have systems in place – in this case conducting checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements.

As I'm sure Mr B understands this is needed not only to protect businesses against criminal activity, but also their customers. Furthermore, I don't think HSBC has acted unfairly or did anything wrong in declining to make the payment and applying restrictions to his accounts and invoked banking protocol when it had what I think are legitimate concerns about the payment he was trying to make. And his circumstances.

From the information I've seen and phone calls I've listened to, Mr B initially was very reluctant to answer any questions about the payment and when he did he provided little detail. The detail he did provide was that the payment was because he was being helped into making investments. He then said he wanted to use the money to buy a property but couldn't provide any evidence to support this. And later tried to move the money to an overseas account.

There were also details that didn't make sense such as Mr B saying he was being monitored, his phone had been encrypted, and he didn't feel safe with the people living at his home. I've kept in mind the significant challenge in this case is the notable difficulty encountered in engaging with Mr B – with HSBC, us, the police and social services. His resistance to communication, avoidance of appointments, and apparent lack of cooperation with professionals raise concerns about his wellbeing and highlight the potential risks he may be facing. Mr B's unwillingness to cooperate or engage with professionals' results in incomplete insights into his circumstances, complicating the situation particularly when Mr B refuses to consent for information sharing from his GP. All of which makes it hard for me to say HSBC's concerns are unfounded.

So I don't think HSBC treated Mr B unfairly when it stopped him from making the payment and restricted him from doing this from his HSBC account until it can satisfy itself of the legitimacy of the payment, and that Mr B wasn't going to be a victim of a crime and that it had done all it can to safeguard his money. And given Mr B was unwilling to provide the information and detail HSBC needed and Mr B's growing agitation, I don't think HSBC did anything wrong when it made the decision to invoke banking protocol and contact the police and social services.

I appreciate this was inconvenient, frustrating and no doubt very distressing for Mr B – especially when he was contacted by the social services and police. And I acknowledge his accounts have been blocked for a long time. But I don't think this was unreasonable in the circumstances. As scammers become more sophisticated banks have to do more to ensure it is safeguarding its customers money.

I appreciate Mr B has been both distressed and inconvenienced by all of this, but the actions HSBC took are allowed under its terms and conditions and is in-line with its regulatory obligations and ultimately, it took this action to protect Mr B's interests, so I don't think HSBC have acted unreasonably or treated Mr B unfairly here.

Finally, HSBC have acknowledged that it shouldn't have allowed Mr B to close his savings account and move his funds to his current account. HSBC have already compensated Mr B £75 for this which I think is fair as things don't always go smoothly, I've not seen any evidence of Mr B not being able to access his funds or make his regular payments. Ultimately, I think Mr B has to take some responsibility for what's happened as the restrictions have remained in place because he did not wish to engage in HSBC's safeguarding processes.

So, it follows that I do not uphold Mr B's complaint, and I won't be asking HSBC to do anything more to resolve Mr B's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 October 2025.

Sharon Kerrison  
**Ombudsman**