

## **The complaint**

Miss M complains HSBC UK Bank Plc unfairly blocked her accounts and withheld funds within her accounts.

## **What happened**

Miss M held three accounts with HSBC.

In early December Miss M's accounts were reviewed by HSBC. During this time Miss M's accounts were blocked. Miss M contacted HSBC by phone and attended branch multiple times to try and gain access to her account. HSBC issued Miss M with a request for tax documents on 6 January 2025, but says no response was received.

Miss M raised a complaint about the block of her accounts and lack of information provided by HSBC. HSBC reviewed Miss M's concerns and issued a final response letter on 15 January 2025. In its response HSBC explained that it is able to review Miss M's accounts at any time, and it doesn't need to provide Miss M with reasons for the review. It confirmed the accounts were still subject to review and a specific timescale couldn't be provided. HSBC accepted Miss M had been given incorrect information during a phone call – she was unable to access all the funds in her account, and she shouldn't have been told this. Miss M was able to access any wages and benefits paid into her accounts, and she could withdraw this at branch with the necessary identification. HSBC offered Miss M £80 for the lack of clear information provided to Miss M during her phone call.

Miss M continued to contact HSBC regarding her complaint. HSBC reiterated its position in its emails dated 17 January 2025 and 20 January 2025. Miss M remained unhappy and referred her complaint to this service. In her complaint to this service Miss M highlighted the impact HSBC's actions had on her. In particular Miss M says she was unable to pay rent and is now homeless as she was evicted from her flat.

An Investigator reviewed the complaint and in summary, made the following findings:

- As a regulated business HSBC is able to block and request details about customer accounts.
- The terms of HSBC's accounts also allow it to restrict activity in specific circumstances.
- Based on the evidence provided by HSBC it had acted fairly.
- There hadn't been any undue delays in the review of Miss M's accounts.
- Miss M is able to access wages and benefits from the account, but as these aren't paid in Miss M is unable to access the funds whilst they are restricted.

Miss M disagreed with the Investigator's review and maintained HSBC had treated her unfairly. Miss M says the impact of HSBC's decision to block her access to her funds is significant and is causing her distress.

As no agreement could be reached, the complaint was referred to 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 Miss M has had cause for complaint and the impact the account block has had on her. I can see she feels strongly that she has been treated unfairly as HSBC hasn't released her funds. 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. That sometimes means HSBC needs to restrict, or in some cases go as far as closing, customers' accounts.

The terms and conditions of the accounts, which HSBC and Miss M had to comply with, also say that HSBC is able to restrict access to accounts in specific circumstances. HSBC has explained and given me information to show why it reviewed and blocked Miss M's accounts. Having carefully considered this, I'm satisfied HSBC took these actions in line with the obligations it must adhere to

I know Miss M would like an explanation as to why HSBC has taken these actions. But it isn't under any obligation to provide this. 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. But I can assure Miss M that having reviewed it, HSBC's decision to block Miss M's accounts was fair and reasonable in the circumstances.

In its final response letter HSBC offered Miss M £80 as she was given incorrect information about accessing funds in her account. While the block is in place Miss M is able to access benefits and wages. However, the statements I've seen don't suggest Miss M is in receipt of either into her HSBC account. In light of this, I consider the £80 offered to be a fair resolution to this error by HSBC.

A key concern for Miss M is HSBC's decision to withhold the funds held within her accounts. I can see Miss M has provided evidence to support the impact the block is having on her personal welfare and mental wellbeing. I have a great deal of sympathy for Miss M, and I am sorry to see the challenges she has faced. The decision to restrict access to an account can have significant consequences, and there is an expectation that such a decision is carefully made by a business. The evidence presented to me by HSBC is clear and I am satisfied it has restricted Miss M's accounts appropriately and in keeping with its regulatory duties.

In response to the Investigator's view Miss M says she was told by HSBC to close her accounts elsewhere as it would offer a better service for her and rate for her mortgage. Miss M says this resulted in her closing her other accounts and using HSBC exclusively, and it has now restricted her access. HSBC has confirmed that Miss M didn't complete a mortgage application process with HSBC – instead a decision in principle was made when she contacted it in May 2024. HSBC says Miss M wasn't advised to close accounts elsewhere, and that her mortgage queries have no bearing on its current handling of her accounts.

I understand Miss M is keen to access the funds within the accounts, but HSBC's review of Miss M's accounts is ongoing. The funds can only be released once it is satisfied it has

fulfilled its legal duties. I would encourage Miss M to liaise directly with HSBC should it request any further details or information from her.

I know this will not be the outcome Miss M was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking HSBC to take any further action.

### **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 Miss M to accept or reject my decision before 24 April 2025.

Chandni Green  
**Ombudsman**