

The complaint

Mr N is unhappy with HSBC UK Bank Plc. He's been a customer of HSBC for over 60 years. He feels HSBC is asking intrusive questions about his personal finances and threatening to close his account if he doesn't provide answers. Mr N checked with The Financial Conduct Authority (FCA) who he said confirmed it could ask the questions but there was no requirement upon him to provide answers.

What happened

Mr N said much of the information HSBC is asking for is unrelated to any need to safeguard his accounts and details. And he didn't like HSBC giving him the impression it might restrict what he can do with his account or even close it if he didn't answer all its questions.

Mr N complained to HSBC. It said the safeguarding review was done to protect customers. But it confirmed Mr N didn't have to provide answers and it may have to take further action depending on how the safeguarding review went. Mr N remained unhappy and brought his complaint to this service.

Our investigator didn't uphold this complaint. He said it was reasonable of HSBC to ask these questions. He accepted that Mr N felt the questions were intrusive, but he also accepted HSBC could ask the questions. Our investigator checked the terms and conditions, and he noted HSBC had details in there which said it could restrict or close accounts if the required information wasn't provided. So, he didn't think HSBC had done anything wrong.

Mr N remained unhappy and asked for his complaint to be passed 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.

I've looked at and reviewed all the points made. I'm going to focus on the key central points of the complaint in this decision.

Mr N has latterly extended his complaint and was now asking our investigator to agree that HSBC had lied to him. Our investigator didn't agree to that. That was part of the reason Mr N asked for his complaint to be passed on for a decision. I can confirm that is not what I'm going to cover in this final decision. The role of this service is to consider if HSBC acted fairly and reasonably towards Mr N. So, that is what I'm going to focus on inline with Mr N's initial complaint.

Mr N contacted the FCA prior to bringing his complaint to this service, and the FCA confirmed HSBC could ask and Mr N was under no requirement to answer. That's it really. If Mr N wants this to be a wider industry issue, then that is still a matter for the FCA.

I think the important place to start is with HSBC account terms and conditions. These state:

“8. Your information – when we need it and what we do with it.

You must give us any information we reasonably ask for as soon as possible.

If you don't....we'll have to take action. For example, we might:

- *Block or close your accounts.”*

I think that's clear and does give HSBC options in terms of how it chooses to act depending upon customers answers when it asks questions. I think these terms are fairly standard amongst most banks and financial institutions, so I don't think its unfair or unreasonable for HSBC to have these noted within their terms and conditions.

But I do fully take on board Mr N's point. He said some of the questions have nothing to do with safeguarding.

HSBC said its aim is to hold the most up to date and correct information for all its customers. And to protect customers and the bank from fraud and financial crime. HSBC said the safeguard review takes place every one to five years.

It said when completing forms of any type being asked to provide names and addresses is entirely standard. HSBC said the checks allow it to clear up any administration mistakes, pick up any name changes, change of circumstances, and addresses.

HSBC did confirm that it can apply the terms and conditions if customers don't provide the information. But it was clear that it *“might have to take action.”* So, I don't think it was insisting it would act further, more that it would have to review and consider the individual circumstances.

It continued that getting transactional information around employment status and income would allow it to know the usual type of transactions that would be normal for the account. HSBC said having this detail would make it easier to protect accounts from fraud.

HSBC reviewed Mr N's information and noted it needed to get some updates. This meant a letter was sent to Mr N asking him to make contact. When Mr N didn't provide all the detail HSBC tried to call and then emailed Mr N. It said a full review was concluded in January 2025 by telephone.

HSBC said no restrictions were applied to Mr N at any point during the process.

All of this does make sense to me. I think it shows that in general HSBC asking for the information is fair and reasonable. HSBC did put a lot of detail in its responses to Mr N and I think that was helpful to try and help him understand the reasons for the request.

I've not seen any evidence from Mr N to show me that HSBC was unfair or unreasonable. I accept that was how he felt, and I understand that, but this is something HSBC does with all customers at some point.

My final decision

I don't uphold this complaint.

I make no award against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 2 May 2025.

John Quinlan
Ombudsman