

The complaint

X complains HSBC UK Bank Plc unfairly cancelled and mis-sold their insurance cover.

What happened

In November 2021 X took out a monthly HSBC Select and Cover Policy (the product). It included travel, mobile phone and gadget insurance. In June 2024 HSBC wrote to X explaining it had decided to withdraw the product. It said that meant their cover would end in September 2024.

X complained about the cancellation of the cover. They said, during its sale, HSBC had said the cover wouldn't be cancelled unless X choose to. X said finding replacement cover would involve significant cost, so they wanted compensation of around £35,000.

HSBC didn't agree to pay any compensation. It said it couldn't find details of any conversation where X was told the policy could only be cancelled by a customer. It explained the policy had been sold on a non-advised basis, with X provided with relevant information about the product to allow for an informed decision. HSBC said the cancellation notice given to X was consistent with the product's 'withdrawal term'. HSBC didn't accept its withdrawal of the product was illegal or in breach of any regulations. It didn't accept ICOP had been breached, nor that it had failed to respond to X's complaint in time.

X wasn't satisfied with that outcome, so referred their complaint to the Financial Ombudsman Service. They said if they had known the product could be withdrawn at any time they wouldn't have taken the policy out. Instead, they would have continued with existing cover. They considered HSBC acted unfairly, breaching various rules, when cancelling. Their requests for resolution include reinstatement of the cover or provide an alternative and compensation.

Our Investigator didn't uphold the complaint. He wasn't persuaded HSBC had said the product could only be cancelled by X. He said the terms provided HSBC with the right to make changes, including cancellation. The Investigator felt X had been given sufficient notice to obtain alternative cover. He concluded HSBC hadn't acted unfairly by withdrawing the product. He didn't recommend HSBC pay any compensation or do anything differently. As X didn't accept that outcome the complaint was passed to me to decide. They said the Investigator had failed to review specific call recordings relevant to the sale.

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.

In their submissions X has referred to various rules, regulations and caselaw to support their complaint. As this is an informal service I'm not going to respond here to every point or piece of evidence X and HSBC have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything, including references to rules and caselaw, submitted.

cancellation

I've first considered if HSBC's cancellation of X's policy was in line with the terms of the policy. I've seen 2019 and 2023 versions of the full policy terms. Both include the same withdrawal term HSBC has referred to. This provides it with two options in the event it decides to withdraw the product. It can offer an equivalent alternative policy. Alternatively, it can choose not to offer an equivalent alternative product, but it must provide at least 90 days' notice.

HSBC didn't offer an alternative product to X. It provided at least 90 days' notice. So I'm satisfied, when issuing the cancellation, HSBC acted in line with the terms of the policy. Reasonable time was provided for X to find alternative cover.

Whilst firms are required to treat customers fairly, they are still entitled to make commercial decisions about the products they offer. I don't consider HSBC treated X differently to other customers, unfairly, or breached relevant rules by deciding not to continue providing the product to them, or by failing to offer an alternative.

the sale

HSBC said the policy was sold on a non-advised basis. That means it was required to provide clear, fair and not misleading information to allow for an informed decision about the product.

HSBC's provided images of the online sales journey it believes X would have experienced for the sale. It's also provided two recordings of calls X made to its customer service team on the day the policy was taken out.

Having considered that information, I'm not persuaded HSBC provided X with any unclear, unfair or misleading information about cancellation rights. There's nothing to support it having said only X could cancel the product.

The online journey provided links to policy terms. Having seen different versions of those terms, it seems likely the version available to X would have included the same withdrawal term HSBC relied on. The two call recordings are largely focused on an issue X was having with their record of address. HSBC didn't make any assurance about cancellation rights.

X demonstrated three calls were made from their phone to HSBC on the day of the sale. They asked that I request those three specific call recordings from HSBC. I haven't done that, I don't consider it necessary. I'm satisfied the two recordings I've listened to are sufficient. Those correspond to two of the three calls from X's phone. The third call was for 23 seconds. It seems unlikely, considering the need for caller verification, it will feature anything of significance.

So I'm not persuaded HSBC provided unclear information about the cancellation rights. I don't accept it mis-sold the cover. Neither do I consider it acted unfairly, outside of the terms, or to have breached rules when deciding to no longer provide X with the cover. I realise this decision will be disappointing for X, but it means I'm not going to require HSBC to reinstate the cover, offer an alternative, pay any compensation or do anything differently.

Finally, X has raised concern at HSBC responding to their complaint outside of relevant time limits. I'm satisfied it did respond to the complaint within the eight weeks allowed. X also said HSBC failed to process a data subject access request (DSAR) promptly. I don't know if a response was issued within that relevant time limit. But in any event, I haven't seen X's

complaint was prejudiced by any such failure. So I'm not to require HSBC to take any action on this point.

My final decision

For the reasons given above, I don't uphold X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 23 April 2025.

Daniel Martin
Ombudsman