

The complaint

Mr R and his parents complain HSBC UK Bank Plc sent them correspondence with private information visible in the window of the envelope and didn't then investigate properly.

What happened

Mr R has a joint account with HSBC. His parents are the other two joint account holders.

In May 2023 Mr R complained HSBC to say they'd received two items of post from HSBC with confidential information about their accounts showing through the envelope window. He says he didn't open the envelopes, took a photo of them and asked HSBC details of the department he could send the unopened envelopes to so HSBC could investigate what had gone wrong. Mr R says several HSBC agents told him to open the envelopes and scan the documents inside and email the scanned document to them. He says that the investigation dragged on for months and ultimately HSBC said it couldn't establish what had gone wrong as it changed provider and in the course of doing so data was deleted. Mr R ultimately complained to our service – as did his parents.

One of our investigators looked into this complaint and said that HSBC had accepted that an error had occurred and had paid £500 compensation into the joint account. Our investigator thought that was fair. Mr R and his parents disagreed saying, amongst other things, that £500 was inadequate and that the £500 that HSBC had paid was for another issue. They asked for their complaint to be referred to an ombudsman for a decision. This complaint was, as a result, 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.

Based on everything I've seen I'm satisfied that Mr R and his parents received two items of post in May 2023 with confidential information about their accounts showing through the envelope window. I've seen photos of both envelopes and I'm satisfied that these are the photos Mr R took the day he complained which was the same day the post was received. It's unclear how one of those envelopes arrived as all that's visible through the window is the period the statement covers, the full names of each of the account holders and an entry showing a transfer to a bond and what appears to be that bond's sort code and account number. In other words, the address to which the envelope is meant to be delivered isn't visible. I can see that this prompted HSBC to ask questions about how the envelopes had arrived. The address is showing on the other envelope, but so was the sort code and account number of the joint account as well as details of what looks like a bond. I can understand why Mr R and his parents were upset receiving post in this way.

I can see that HSBC quickly acknowledged that something had gone wrong and asked Mr R to send photos of the envelopes and scan the documents inside. I'm satisfied that HSBC did this so that it could get to the bottom of what had gone wrong – the scan would have allowed HSBC to track where the document had come from. I can, however, equally understand why

Mr R didn't want to send a copy of the enclosures by email to HSBC given that he was already worried that there had been a breach of GDPR. Ultimately this led to something of a deadlock, with HSBC saying that it needed more information in order to investigate and Mr R being reluctant to send the information in the way that HSBC had asked him to. This went on for several months – with both parties periodically chasing each other – and the deadlock was only broken when HSBC said the tracking information it needed would no longer help as it had changed provider and in the course of doing so data that would have helped the investigation was wiped. I'm satisfied that in December 2023 HSBC ended up offering £500 in compensation which it has since paid.

I agree with our investigator that £500 is fair compensation taking the obvious distress and inconvenience this incident caused. For completeness, I'm satisfied that a month later Mr R received a third envelope with the HSBC logo only showing. HSBC didn't consider that to be a data breach and I don't think that was unreasonable. It follows that I also agree with our investigator that HSBC doesn't need to pay more compensation here.

My final decision

My final decision is that the £500 compensation HSBC UK Bank Plc has paid is fair, so it does not need to do more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R, Mrs R and Mr R to accept or reject my decision before 16 April 2025.

Nicolas Atkinson
Ombudsman