

## **The complaint**

Mr G trading as A, a business, complains that HSBC UK Bank Plc refused to accept the proof of address he provided in respect of his business bank account application.

## **What happened**

In December 2024 Mr G applied online to HSBC for a business bank account. In the course of the process he says he provided copies of his passport, provisional driving licence, an official payment receipt with business information and a DWP letter. HSBC subsequently contacted Mr G to explain that it did not accept a provisional licence as proof of address but would accept utility bills dated within the last four months, bank statements dated in the last three months or Council Tax bills (not letters). It further said that the copy of his passport was not clear.

Mr G attended a branch of HSBC and a scanned copy of his passport was taken. He provided a copy of his birth certificate but was advised that that was not sufficient proof of address. He subsequently corresponded with HSBC concerning the proof of address documents. He insisted that he had provided adequate proof of address and said that a provisional driving licence is sufficient and that it is accepted elsewhere. He didn't see why he needed to provide copies of utility bills or bank statements. He pointed out that he wasn't looking to borrow money. And felt that HSBC only needed proof of his address in order to post letters to him.

HSBC said that regulatory requirements and the guidelines set out by the regulator (the FCA) do need to be complied with by it. It couldn't accept a provisional licence as proof of address. Mr G declined to accept this and didn't provide any further documents. HSBC cancelled the application in January 2025.

The matter has been referred to me for an Ombudsman's consideration.

## **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.

As our Investigator has explained, when somebody applies for a bank account, the bank is required to comply with the FCA's guidelines on identity. This is particularly to protect against money laundering and/ or fraud. That is, once a bank account is open it's going to be vulnerable to such matters and if the bank hasn't satisfied itself with documentary proof of the address it could be liable if the account is misused. That's not to imply that Mr G would misuse the account but unfortunately it is something that has to be taken into account in every case by the bank.

In Mr G's case HSBC has set out which documents it will accept. It won't accept a provisional driving licence. Although other banks or financial institutions may accept this it does appear to be quite common that a provisional licence is not accepted as proof of address. HSBC is able to make its own rules about acceptable documents and I don't think

that they are unreasonable or onerous. For example most people would be able to produce bank statements or utility bills or a council tax statement.

Mr G says that he did provide sufficient evidence of his identity and address. So far as the passport is concerned, that was accepted as evidence of identity. In respect of his address, Mr G has mentioned a DWP letter, and the screenshot he has provided does appear to indicate that such a letter might be acceptable. However I can't find any reference to such a letter in the correspondence and HSBC doesn't have a copy. Mr G referred to other ways of proving his address, none of which were, or would have been, acceptable evidence. So I can't find that such a letter was provided or if it was that it complied with HSBC's requirements.

I understand Mr G has his own concerns about protecting his identity but if he wants to open a business account I'm afraid that he will have to comply with the bank's rules. And as I've said, as applied here to Mr G's particular case, I don't consider those rules to be unfair or unreasonable. All banks have to comply with stringent rules concerning data protection and any documents supplied by customers have to be kept confidential. I've seen no evidence that Mr G has been treated any differently from any other customer.

As regards the cancellation of the application, HSBC did this because Mr G has failed to respond with the additional proof of address required. It's not obliged to keep the application open.

So overall I think that HSBC acted appropriately when asking Mr G to provide ID and proof of address information in connection with his application. So I won't require it to take any further steps.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 9 July 2025.

Ray Lawley  
**Ombudsman**