



The complaint

N, a business, represented by its owner (who I'll refer to as Mr B) complains that HSBC UK Bank Plc unfairly restricted and issued notice to close his business account as part of a safeguard review.

What happened

Around February last year, HSBC says it contacted Mr B as part of its safeguard review. Following multiple reminders the bank says it sent, HSBC decided to issue notice to close Mr B's account in line with its terms and conditions.

After Mr B complained, HSBC explained that it had acted in line with its terms. However, the bank acknowledged that it had carried out a service failing, so it offered Mr B £150 compensation. Mr B remains unhappy, so he asked this service to independently review his complaint.

Mr B says he only received one notification about the safeguard review but no form or pre-paid envelope was enclosed. He says he would've completed and sent the form had these elements been included. Mr B adds that he tried to call the bank to complete the review but that the advisers were disinterested and always referred him to the bank's website, despite Mr B explaining that he didn't use online banking and wasn't comfortable completing an online form. Mr B is also unhappy that one adviser terminated the call with him. Mr B adds that all calls seemed to go through to an adviser based abroad, so he was unable to get the help he needed.

Mr B wants HSBC to pay him £500 compensation for the inconvenience and stress he experienced.

One of our investigators issued their outcome, explaining that they felt HSBC had acted fairly. Mr B doesn't agree so the complaint has been passed to me for a final review.

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.

Having done so, I've decided not to uphold this complaint. I know Mr B will be disappointed to hear this, so I'll explain why.

HSBC says it sent Mr B notifications about its safeguard review in February, March and April last year. I can see these were addressed correctly and the bank confirms the letters were sent. Mr B hasn't pointed to any problems receiving letters around the time either. So although Mr B says he only received the one notification in April, I'm satisfied that HSBC sent him multiple communications about its review.

From the copies HSBC has sent us, I can see the letters included a form for Mr B to complete and return. I appreciate Mr B's concern that a pre-paid envelope wasn't included,

and he feels strongly that HSBC should've enclosed one. However, I can see the form includes the relevant return address and there's nothing I've seen that suggests Mr B would've been unable to return the form by post himself. So I'm satisfied Mr B was given the information he needed to complete this step of the safeguard review.

HSBC's terms and conditions say that it can close an account by giving two months' notice or with immediate effect in certain circumstances. The letters HSBC sent to Mr B regarding its safeguard review also point out that the bank would look to close his account should he fail to provide the information it required. By the time HSBC issued its notice of closure in May, Mr B hadn't yet responded to the bank's safeguard letters. So I'm satisfied that HSBC was acting fairly and reasonably when it decided to close the account by giving Mr B two months' notice.

It's following HSBC's decision to close Mr B's account that he began reaching out to the bank by telephone regarding its review. Having listened to the relevant calls that took place between May - July, I can see Mr B appeared to have a general reluctance to complete and return the form. Mr B was also offered the option of completing an online form. I appreciate he felt this was unreasonable because he doesn't use online banking as he finds it difficult and risky, but this part of HSBC's review required him to complete the form first. And I can see it was made clear that he doesn't need to access online banking to complete this step.

Mr B was also adamant that nothing about his circumstances had changed. However, this doesn't excuse the bank from completing its review in line with its procedures. Mr B eventually arranged a telephone appointment that was missed on the day. Given this and Mr B's earlier reluctance to cooperate with the process, I think it was reasonable for HSBC to restrict the account in July.

I appreciate Mr B feels the safeguard review was unnecessary and could've been completed another way – such as over the phone. However, HSBC says its review was a necessary measure to protect Mr B's account. And the bank's procedure for such reviews is a commercial decision and isn't something I can interfere in – unless I find that the application of its commercial practices here unfairly affected Mr B. I'm not persuaded that it did, so I won't be asking HSBC to do anything differently because of the way it conducted its review.

I can see that once Mr B contacted the bank he was granted more time to submit the information HSBC required. Mr B managed to do so by early September and his account was restored following this.

Mr B also points to a service failing on HSBC's part. He's unhappy that when he called the bank about its review, the call handler terminated the call. Mr B is also dissatisfied that many of his calls were answered by staff based in other countries - he felt they were disinterested in his concerns as they simply referred him back to the form he was asked to complete.

In line with my earlier comment, the bank's decision to have call handlers based abroad is a commercial practice, which I can't influence. Having listened to the calls, I'm satisfied Mr B was treated fairly. I can see the call handlers understood Mr B's reasons for calling and made it clear what he needed to do to move the safeguard review forward, as well as have the account restriction lifted. I appreciate Mr B wanted the matter resolved over the phone, however I'm satisfied that the call handlers explained why this couldn't be done. I haven't seen anything that suggests Mr B would've been unable to complete his part of the review either online or using the form that was sent to him, so I don't find the actions of the call handlers to have been unfair.

I've also listened to the call that was terminated. It's apparent that Mr B was frustrated by the situation and the call handler asked him multiple times to keep things professional. Mr B

says he raised his voice because of his age and loss of hearing. Given how the call progressed, it does seem to me that the call handler reacted pre-emptively here when they terminated the call. However, I'm satisfied that the position regarding the safeguard review was made clear to Mr B, so I don't think that terminating the call would've caused any detriment to Mr B's position.

HSBC does recognise that it caused a failing in the way it communicated the position following it granting an extension to Mr B. The bank accepts that it should've been clearer about further notifications Mr B may receive pointing to there being a different deadline. To make up for this error, HSBC offered Mr B £150 compensation. I think this is fair in these circumstances - given that I haven't seen anything that suggests Mr B was impacted by this to a degree that warrants additional compensation. So I won't be asking HSBC to increase its award.

To conclude, I'm satisfied HSBC took reasonable steps to notify Mr B about its safeguard review and the actions he needed to take around the time. The bank's decision to restrict and issue notice to close Mr B's account was done so fairly, as Mr B hadn't completed the required action despite multiple reminders. I appreciate Mr B feels the bank should've done more to support him and should pay a higher compensation amount. But I'm satisfied that HSBC's compensation offer fairly puts right the distress and inconvenience caused by its service failing. So I won't be asking HSBC to do anything more.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 6 June 2025.

Abdul Ali
Ombudsman