

The complaint

Mr B is unhappy with HSBC UK PLC. Mr B said he went into a branch to get a high interest account and leave his money there for a one year period. A year later he found no interest had been paid.

What happened

Mr B opened the new accounts during a visit to the branch. He said he discussed the accounts available with staff. However, a year later when he checked on the accounts, he found that no interest had been applied to a large proportion of the money. Mr B said he was expecting interest of around £7,000. Mr B was unhappy with the service provided by HSBC he said it should have told him that no interest was being earned so he could take further action.

HSBC didn't think it had done anything wrong. It said the account discussion was non-advised. It said factual information only was provided to Mr B for him to action as HSBC didn't make any recommendations. It said Mr B opened a current account, followed by an Online Bonus Saver account and then a Fixed Rate Saver account. Mr B deposited £43,000 in the Fixed Rate Saver account at that point in 2023. A further larger amount was paid into the current account a little later and stayed there. HSBC said Mr B never transferred this later money into the Online Bonus Saver account nor did he open another Fixed Rate Saver account. It concluded either of these options would have accrued interest. HSBC said it wasn't responsible for transferring the funds between accounts. It said this was down to Mr B.

HSBC said there had been no bank error. It offered £50 compensation for any distress and inconvenience caused.

Mr B remained unhappy, so he brought his complaint to this service.

Our investigator didn't uphold the complaint. She said perhaps HSBC could have done more during the branch visit to help Mr B understand he would still need to take further action after the accounts were open and once the rest of his money was transferred into his HSBC accounts. Our investigator accepted HSBC couldn't open another Fixed Rate Saver account for the further money until it was deposited in a HSBC account. She accepted the current account statements confirmed no interest was being paid on any money in this account. She also noted the Fixed Rate Saver account that was opened for the £43,000 had confirmation sent to Mr B noting the term, the interest rate, and the expected interest at maturity. Our investigator felt that the £50 compensation offered by HSBC was reasonable in the circumstances.

Mr B didn't agree 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 read everything provided by the parties, but I only intend to include here what I see as the central and main points in dealing with the complaint.

I can understand Mr B's frustrations. To him it is obvious why he opened the accounts and what he wanted to happen.

He was clear that he wasn't intending to spend any of the money over the year and so he was willing to place it in a year long investment savings account.

Mr B was upset that he hadn't made any interest on the further money that totalled in excess of £130,000. So, I can see why he might think HSBC would be in touch with him about the accounts and how he was using them. He feels this is poor service as he was expecting to make around £7,000 in interest from the later money deposited.

HSBC said its job was to provide Mr B with information only. It said any decisions and subsequent actions were down to Mr B to take. It made the point that it doesn't provide financial advice. HSBC said Mr B had opened relevant savings accounts and transferred funds between his accounts. It was clear only Mr B can be responsible for what he does and where he moves his money.

HSBC noted customers have to read the terms and conditions prior to completing opening an account and Mr B had ticked the box to confirm this. It said this noted Mr B would have to manage the account himself.

HSBC agreed that Mr B did invest the £43,000 in a Fixed Rate Saver account. It said he did later have further deposits above £130,000. But these amounts remained in the current account where they were first deposited. HSBC said Mr B didn't make any attempt to transfer the money into the Online Bonus Saver account that had been opened a month before. It said he didn't open another Fixed Rate Saver account either. It agreed that if he had then he would have made more in interest.

HSBC did provide this service with written evidence of its letter to Mr B showing the £43,000 deposit into the Fixed Rate Saver account, the dates involved and the interest at maturity. I think this highlighted there was no such correspondence in 2023 for the £130,000+ amounts.

HSBC said all discussions and dealings with Mr B about his money and opening other accounts took place prior to him having the £130,000+ paid into his current account. HSBC said it couldn't comment on money that arrived after the accounts were opened and Mr B hadn't come back to it for a further discussion on his options with this amount. It said if it had been discussed in advance Mr B would have been told to come back after it was deposited, but there was no further contact.

HSBC reiterated there had been no bank error. But it did offer £50 compensation as a gesture of goodwill. I think that was fair in the circumstances of this complaint. It offered the £50 as it felt perhaps Mr B could have been given a better understanding of this when he had last visited the branch.

If Mr B had gone back to HSBC after the £130,000+ had been paid into his current account, it said it would have been able to tell him his options again. But it said it wasn't HSBC's responsibility to contact him any further. Although I understand and take Mr B's point – I agree with HSBC. It wasn't advising Mr B it was up to him to decide what action to take and when with his money.

Mr B wouldn't have had a letter for the £130,000+ showing him the money was placed in a high interest account. This may have been a misunderstanding but HSBC shared details of when Mr B checked his accounts online and details of his current account statements too. This would have shown no interest was being paid. But at no point prior to the complaint did Mr B have further discussion with HSBC about his options. As HSBC has pointed out it isn't a financial adviser, and it gave no advice when Mr B opened the accounts.

I think HSBC was reasonable when it offered Mr B £50 in case it could have been clearer when he visited the branch. But I can't hold it responsible for actions regarding the £130,000+ as this money came afterwards and Mr B didn't make contact or question what was happening at that point.

My final decision

I don't uphold this complaint.

I make no further award against HSBC UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 June 2025.

John Quinlan
Ombudsman