

## **The complaint**

Ms D complains HSBC UK Bank PLC ("HSBC") allowed the joint account holder to withdraw money from two accounts without her consent and after she had asked it to freeze the accounts.

## **What happened**

The facts of this complaint are well known to both parties, so I won't repeat them in detail.

In short, Ms D says she called HSBC to ask it to restrict her joint account with her ex-husband as they were going through a split at the time. However, the day after she called £9,000 was transferred out of the joint account by her ex-husband. Ms D also complained that her ex-husband was allowed to access her daughter's saver account and transfer money out the account to his daughter, but she says he shouldn't have been allowed to do this. Ms D would like HSBC to replace 50% of the money taken from her joint account and all the money withdrawn from her daughter's account to be replaced.

HSBC says Ms D spoke to the lost or stolen card team and was informed that only the cards on the account would be temporarily blocked. Therefore, it says it has not done anything wrong in allowing the joint holder to carry out online transfers as this area of the account was not blocked, and as a joint holder he is entitled to make such transactions on the account. However, HSBC did agree that it could've given more clarity about the situation on the call, so it offered to pay Ms D £300 in compensation.

Our investigator considered the complaint and decided to uphold the complaint and award Ms D £475 in compensation for poor customer service she received, specifically the lack of clarity about how she could restrict all the functions on the joint account. However, the investigator felt that HSBC had not done anything wrong in allowing the joint account holder to make online payments as this was not blocked and he was within his rights to do so. Ms D was unhappy with this, so the complaint has been passed to me 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.

Generally speaking, HSBC is required to refund any unauthorised payments made from Ms D's account. Those rules are set out in the Payment Service Regulations (PSRs) 2017. However, as the transactions in dispute were made by the joint account holder, these would not fall under the category of unauthorised as per the PSRs. However, Ms D says she asked HSBC to restrict the account, but it didn't follow her instructions which has caused her significant loss.

I've listened to the call where Ms D asked HSBC to freeze the joint account. During this call Ms D clearly explained that she was going through a split and was worried the joint account holder would spend or withdraw their joint funds without her consent. The agent on the call explained that she had come through to the lost or stolen card team, and that the team that

would be able to block the account was not available. However, she did offer to block the cards linked to the account. Ms D asked her to block both cards connected to the account and agreed for this to be a temporary block until she had spoken to the joint account holder.

However, I think the HSBC call handler could've given her more information about how Ms D could freeze the account to prevent any movement of the funds. HSBC offered Ms D £300 in compensation to apologise for the lack of clarity here. Our investigator however, felt it would be appropriate to increase the compensation to £475. I have also considered this, and I agree with the investigator. I say this because before ending the call, the agent explained that the action she was taking was to temporarily block the two cards associated with the account. She was clear about the actions being taken and did not state or imply that the whole account would be frozen. But Ms D was clear about the reason she initially called, so to provide better standard of customer service I would've expected the agent to let Ms D know how she could freeze the account, such as details of the relevant team and when they would be available to take her call. As it didn't, I think it should pay compensation.

However, having looked at HSBC recent protocols in relation to freezing accounts when joint holders are going through a split, it is likely HSBC would've required the joint account holders consent as well before placing the freeze. So, I can't say that had she been given the correct information this would've immediately prevented Ms D's ex-partner from accessing their joint funds. So, I don't think it Ms D's total loss was a result of this miscommunication, and I think £475 is a fair amount in relation to the circumstances.

Ms D says HSBC should refund the full £9,000 transferred out of the account by the joint account holder. However, as I've stated above, only the cards on the account were restricted on the 13 August 2024. And the agent was clear that this was the only action taken at this time. Joint holders are all equally entitled to access the money in the account as per the terms and conditions of such account. So, as the rest of the account was still active, I don't think HSBC has done anything wrong in allowing the joint account holder to access the funds online. So, I don't think it would be fair to ask it to refund this money.

Ms D has also questioned why her ex-husband was allowed to withdraw funds from her daughter's account. Ms D says the money in that account was intended solely for the use of her daughter, so he should not have been able withdraw funds without the consent of her daughter and without further questioning from HSBC. I've considered the terms and conditions of this account, and what I think would be reasonable to expect from HSBC in relation to this.

The terms and conditions state the account *"should only be used by you (the trustee) to add and manage savings for a named child...However, the child doesn't have control of the money and can't demand any of it, until they reach the relevant age. (18 in England, Wales and Northern Ireland, 16 in Scotland)...It is your responsibility as trustee to make sure that: the money goes to the child"*.

These terms and conditions make it clear that the trustees are to manage the funds accordingly – in this case Ms D and her ex-husband. It is also clear that Ms D's daughter will not have access to the account till she is 18, and I believe she was 17 at the time the disputed transactions took place. While it is also clear that the money should only be used for the benefit of the child, the onus is on each trustee to ensure they abide by this term. And as Ms D's ex husband was a joint trustee on this account, I don't think HSBC has done anything wrong in allowing him to manage and access these funds.

I know this outcome will come as a disappointment to Ms D, but from the evidence I've seen I don't think HSBC has done anything wrong here. As a Service we can only look at what happened between the bank and it's customers and put things right when we find the bank

has done something it shouldn't have. In this case I haven't found that HSBC has done anything wrong, besides from not being clearer about how and when she could speak to the relevant team about potentially blocking the account. And as I've said, it seems likely HSBC would've needed to speak to the joint account holder before doing this in any case.

### **Putting things right**

For the reasons outlined above, HSBC should pay Ms D £475 in compensation for poor customer service.

### **My final decision**

I am partially upholding this complaint; HSBC UK Bank Plc should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 28 April 2025.

Sienna Mahboobani  
**Ombudsman**