

## **The complaint**

Mr and Mrs B complain that HSBC UK Bank Plc closed their investment account and sold their shareholdings.

## **What happened**

In late January 2025 Mr and Mrs B received a letter from HSBC saying they were going to close their investment share dealing account as they were resident in the United States. HSBC said they were doing this due to regulatory restrictions for US residents.

The letter was dated 21 October 2024 and had given Mr and Mrs B until 7 January 2025 to give instructions about what to do with the share holdings. However this date had already passed due to delays in the letter being received.

Mr and Mrs B complained to HSBC who said they had extended the normal 30 day notice period for account closures to three months and had also sent another reminder at 45 days. HSBC said they used a letter instead of electronic means of communications due to the sensitivity of the information and because they didn't hold email addresses for all of their customers.

Remaining unhappy Mr and Mrs B brought their complaint to this service where one of our Investigators looked into what happened. They thought HSBC took sufficient and reasonable steps to make Mr and Mrs B aware of the account closure. Our Investigator went on to say that any delays with postage wasn't the fault of HSBC.

Mr and Mrs B disagreed saying HSBC should've used another method such as signed for post or courier for such an important letter. They said they had lost a large amount of capital and the continuing loss of substantial dividends due to the shares being sold.

Because an agreement couldn't be reached the matter has come to me for a 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.

Mr and Mrs B have provided a lot of information about their complaint and it's clear to me how strongly they feel about what happened and the impact it has had on them. I want to assure Mr and Mrs B that I've read and considered everything that has been provided even if I don't mention it all in detail. I've summarised some things which reflects the informal nature of our service.

HSBC said the account closure came about because of regulatory restrictions and requirements of where they can offer investment services. This means that to have an account of the type held by Mr and Mrs B customers must reside in the United Kingdom. This is reflected in the eligibility criteria for the account.

The terms and conditions of the account give several reasons why HSBC might end the

service. Two of those reasons are when *there is a change in law or regulation that requires us to do so* and *when you no longer meet the Eligibility Criteria*.

So I think HSBC acted fairly when deciding to close the account.

The terms of service for the account say:

*When will we end the Service on notice?*

*We may stop providing the Service or any part of the Service and close any of your accounts for any reason by giving you at least 30 days' written notice.*

Taking all of the above into consideration I'm satisfied HSBC were able to close the account and they have given a reason for doing so.

The issue for Mr and Mrs B is that HSBC wrote to them about the account closure rather than using another form of communication. They say the October 2024 letter took some three months to be delivered to the US, and the follow up letter from February 2025 took some two months to arrive.

Because of the impact of the account closure, I can see why Mr and Mrs B say HSBC should've used a different form of communication. It's possible that HSBC could've sent the letter another way; but my role is to see if I think they acted fairly and reasonably by communication in the way they did. And having considered all the available information I'm satisfied that's the case.

The terms of service say when HSBC closes an account they will provide *30 days' written notice*. So by sending written notice HSBC were acting in line with the terms of the account. HSBC also extended the usual timeframe of 30 days to 90 days giving customers three times the usual period to reply with their instructions. This was followed up by a reminder letter halfway through the 90 day period.

I think it was right of HSBC to give an extended notice period in this particular set of circumstances. I also think it was right of them to send a reminder.

Ultimately HSBC can't be held responsible for any delays caused by the postal system. I'm satisfied the letters were sent and that they were correctly addressed. This means HSBC fulfilled their obligations.

When Mr and Mrs B contacted HSBC the account closure process had been started and sell orders had been placed. The October 2024 letter said that instructions needed to be received by 7 January and contact was made some two weeks after that date. At the time it wasn't possible to stop the sale of the shares or the account closure.

HSBC told Mr and Mrs B they would look into stopping the sell orders; but it wasn't possible at that time. They referred the account closure issue to their product and legal teams, but again it wasn't possible to change the decision. So I think HSBC did what they could to try and help Mr and Mrs B but due to the circumstances this wasn't possible.

Having carefully considered everything that happened I'm satisfied HSBC acted fairly and reasonably so won't be asking them to take any further action.

### **My final decision**

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 1 July 2025.

Warren Wilson

**Ombudsman**