

## **The complaint**

Mr C and Ms M complain that HSBC UK Bank Plc refused to remove a block on their dormant account without requiring the answers to personal questions which didn't relate to confirming their identity.

The complaint is made in joint names as it refers to a joint account although for convenience, except where otherwise stated, I shall refer to Mr C throughout.

## **What happened**

In November 2024 Mr C contacted HSBC. He had an account that had been made dormant several years previously and he wanted to reactivate it. He was asked some security questions which he gave answers to. He was then asked some further questions concerning matters like home ownership employment etc. He queried the need for giving answers to those questions. The adviser explained to him that he needed to answer them to remove the dormancy block. Mr C declined to answer them and was advised to go into a branch with his ID documents.

When in the branch, it was again explained to Mr C that he was required to answer the additional questions. Mr C was still unhappy to do this and made a formal complaint. He said that to visit the branch he had had to ask his brother-in-law to look after Ms M who is disabled. He paid him £50 and he incurred £5 travel expenses. HSBC's customer adviser told Mr C that he still had to answer the questions. HSBC's final response set out that it had made no error.

Mr C referred his complaint to the Financial Ombudsman Service. HSBC then told us that there had been a mistake and that the additional questions weren't necessary in order to remove the dormancy block. It offered £150 compensation. It confirmed that Mr C had passed the security checks, but that Ms M still would have to do so.

Mr C didn't accept this. On review by our Investigator they thought that HSBC had offered an appropriate amount of compensation and a resolution to the matter.

Mr C didn't agree and the matter has been passed 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 I'm required to do, I've considered all relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time. We are an alternative dispute resolution service. And our role is to resolve matters informally. In keeping with the informal nature of the service, I won't be setting out which particular laws or regulations may or may not apply

All financial institutions are required to have procedures in place to prevent fraud. Strong customer authentication is an important measure to combat fraud, so we don't think it's unfair or unreasonable of a business to implement it. The regulations don't require businesses to use any particular procedure and it's up to the individual business to decide what its own procedures are. I'm satisfied that HSBC's procedure, when properly followed, complies with all necessary regulations.

If Mr C is not happy with any part of those procedures, I should advise it is not my function to ask HSBC to change them. I don't know if HSBC has a particular policy on this, but I have seen the internal dormancy procedure, which its advisers are supposed to follow. And as we now know, and as HSBC has belatedly recognised, the additional questions he was asked were not part of its dormancy procedure.

I can confirm that HSBC has told us that it's satisfied that Mr C has complied with the procedure. But it still requires Ms M, as a joint account holder, to comply as well. I should emphasise that the only information that HSBC needs to verify is her address, phone number, nationality, and tax residency. Although Mr C is unhappy about having to give out personal and confidential information, it is only to verify the information which HSBC already holds. And it is required by the regulations to ensure that information is kept secure. I would hope that HSBC will accept the information being given by Mr C if Ms M verifies that she gives him authority to do so.

As regards the compensation offered, we say that an award of between £100 and £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. HSBC did make a mistake at the beginning of the process, which was compounded by other members of staff not recognising this. In particular, I do think that the customer adviser should have checked their procedures before saying that there was no error on the bank's part.

Mr C would still have had to go to the branch to provide the ID documents, though HSBC does offer a postal service. And he shouldn't have needed to make a complaint to us to resolve the matter. Having said that as Ms M is still required to provide her security information, I don't know whether he would've refused to give that in the first place. Overall, having considered awards we have made in similar cases, I think that the £150 offered is fair and reasonable. As I've said HSBC has confirmed that it doesn't need Mr C himself to answer any further questions. I would expect HSBC to unblock the account if it's satisfied with Ms M's response to security questions.

### **My final decision**

HSBC has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC UK Bank Plc should pay £150.

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

Ray Lawley  
**Ombudsman**