

The complaint

Mr M complains HSBC UK Bank Plc (“HSBC”) blocked his account and withheld his funds

Mr M says HSBC’s actions have caused him financial loss, damage to his credit report due to missed regular payments, effectively left him homeless, and substantive distress and inconvenience.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

After depositing a large cheque which represented the balance of one of Mr M’s external account’s, HSBC blocked his account in early 2025. This meant the funds in that account were withheld. Unhappy Mr M complained.

In March 2025, HSBC sent Mr M its final response letter in which it said the block had been applied in line with HSBC’s legal and regulatory expectations – and it is able to give limited information about its reasons. Mr M referred his complaint to this service.

One of our Investigator’s looked into Mr M’s complaint, and they recommended it wasn’t upheld as HSBC had acted in line with its obligations and didn’t need to give a better explanation.

Mr M didn’t agree with what our Investigator said. Amongst other things, Mr M said he desperately needed his money for essential living costs and HSBC were acting improperly by continuing to hold his funds on a new account. In response, our Investigator explained that the account being new didn’t prevent HSBC from fulfilling its obligations.

Mr M later complained about HSBC closing his account and what it was continuing to do with his funds. Our Investigator explained that they could only consider the issues as addressed in HSBC’s final response of March 2025. And that HSBC would need to consider any other issues after this point in the first instance.

As there was no agreement, this complaint has been passed to me to decide.

What I’ve decided – and why

Firstly, I’d like to assure Mr M that I do not undervalue the circumstances and acute vulnerabilities he has said HSBC’s actions have put him in. I am of course sorry to hear about this.

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 have decided not to uphold this complaint. I know Mr M feels strongly

about his complaint, so I'll explain why

Banks in the UK, like HSBC, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means HSBC needs to review and restrict its customers' accounts.

HSBC has provided me with an explanation and supporting evidence as to why it decided to restrict and withhold funds in Mr M's account. Having carefully considered this, I'm satisfied HSBC did so in line with its wider legal and regulatory obligations. So, I don't think HSBC's done anything wrong in withholding Mr M's funds up until the point it responded to Mr M's complaint. I know Mr M would like a detailed explanation, but HSBC is under no obligation to do so.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information HSBC has provided is information I consider should be kept confidential.

Mr M says HSBC's actions have caused him financial loss, damage to his credit report due to missed regular payments, effectively left him homeless, and substantive distress and inconvenience. But as I don't think HSBC has done anything wrong, I see no basis in which to direct it to take any actions to put things right, including paying any compensation for the distress and inconvenience Mr M has suffered.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 August 2025.

Ketan Nagla
Ombudsman