

The complaint

Mr G complains that HSBC UK Bank Plc (HSBC) closed his bank account without notice and have held him liable for an outstanding debt linked to an overdraft that was present on the account.

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.

Mr G held a current account with HSBC. Following receipt of a large credit into the account in October 2024, the account had restrictions placed upon it and a letter was sent to Mr G asking him to make contact to discuss this transaction and to provide evidence and/or documentation that supported its purpose.

In January 2025, following conversations with Mr G, in which he disputed carrying out all the activity on the account, HSBC wrote to him to explain that they would be closing his account with immediate notice. As the account was in an overdrawn status at this time, Mr G is being held liable to repay this debt to HSBC. The overdrawn balance is made up of ATM withdrawals which Mr G says he didn't make. He's explained he never used the account after opening it in September 2017.

Mr G complained to HSBC who didn't uphold his complaint. Mr G remained unhappy so referred his complaint to our service. One of our Investigator's looked into it, and they recommended it wasn't upheld. In summary, they said HSBC was able to close the account in the way it did and were satisfied it'd done so in line with the terms and conditions of the account. They went on to say that they thought HSBC were entitled to hold Mr G liable for the debt associated with the account.

Mr G disagreed. He asked for a decision, so his complaint has now been passed 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Account closure

HSBC has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. HSBC also has a duty to monitor its customer accounts, and this sometimes means it may need to restrict access to these accounts while it carries out a review. Sometimes reviews will lead to accounts being

closed.

HSBC placed a block on Mr G's account in October 2024 following contact from a third-party bank and a sum of £5995 being received into the account. Having then completed a review of the account, which included discussing this transaction with Mr G, HSBC then closed the account without notice in January 2025. It relied on its terms and conditions to do so. I've reviewed the terms and conditions for Mr G's account and having also considered the circumstances of the account block and closure, including HSBC's review, I'm satisfied they allow HSBC to do this. So, I find that HSBC has acted fairly when making its decision to close Mr G's account.

Account activity and overdraft debt

HSBC's liability in terms of refunding disputed payments is set out in the Payment Services Regulations 2017. In summary HSBC is liable to refund payments which a customer didn't authorise, subject to other criteria - such as if a customer was grossly negligent with their account security information that lead to unauthorised payments not involving credit or they failed with intent to keep security information safe.

There were multiple transactions on the account, including the one mentioned previously, some completed by mobile banking and some via an ATM using chip & PIN. These left the account in an overdrawn state, with HSBC holding Mr G liable to repay this debt.

Mr G has said that he never used this account following opening it on 17 September 2024 and that no transactions that have taken place were authorised by him. He's said that he registered for online banking using his mobile phone, which I'll refer to as phone one, on 23 September 2024 but that was the only device he ever registered. HSBC have said that there were two devices registered to the account, the previously mentioned phone one and also an additional mobile phone, which I'll refer to as phone two, registered on 24 September 2024. The disputed activity took place using phone two. HSBC have confirmed that phone two was registered to Mr G's account using his mobile banking password, activation code and PIN. Mr G hasn't been able to explain how someone other than him could have known these details. Considering this, I'm not persuaded that anyone other than Mr G, or someone that he has provided the details listed above to (and therefore authorised), could have registered phone two and subsequently carried out the mobile banking transactions that it did.

With regards to the ATM transactions, these were carried out using the original debit card sent to Mr G and validated by the original PIN that was sent. Mr G has said that he never shared these details with anyone and that no one else had regular access to his house.

Mr G has said that he put his debit card in his wallet once he received it but was later unable to find it. He's also said he never opened the letter he was sent which contained his PIN and doesn't know where he put it. Having thought about what Mr G has said, taking into account what he has said with regards to no one having regular access to his house, I find it unlikely that someone without Mr G's authorisation would be able to obtain both the card from his wallet and find the PIN letter somewhere. Instead, the evidence shows that the transactions could have only been possible following involvement from Mr G or someone he authorised to use his account.

In conclusion, I'm not persuaded by Mr G's testimony and I find it more likely than not that he authorised the transactions on the account.

As such, I find that HSBC aren't doing anything wrong in holding him liable to repay the debt associated with the account's overdraft.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 March 2026.

Mark Louth
Ombudsman