

The complaint

Mrs D complains HSBC UK Bank Plc won't re-instate a current account of hers that was incorrectly closed or open a new current account for her.

What happened

Mrs D has been a customer of HSBC since she was a child. She's lived abroad for many years too and is currently living in the US.

In 2023 Mrs D inherited a substantial sum of money after her father sadly passed away. This money was paid into a savings account she had with HSBC. In order to earn a better rate of interest on her inheritance Mrs D opened a high interest savings account with HSBC. She was able to do so without any difficulties. She subsequently asked HSBC to re-instate a current account of hers that she said had been made dormant – HSBC said this wasn't possible as the account had been closed – or to open a new current account for her. She explained that she wanted a current account so she could access her savings and so she had an account she could use when she visited the UK – something she anticipated doing on a more and more regular basis. Her application for a new account was declined. HSBC initially said that this was because of a marker that had been added to its systems because it had written off debts that Mrs D hadn't repaid – HSBC has since accepted that this shouldn't have happened – and then because she was resident in the US.

Mrs D was unhappy with HSBC's decisions and complained. She said that the only reason why she wasn't able to open an account was because she was an existing customer meaning she couldn't apply for an account online. HSBC looked into Mrs D's complaint and attempted to open a current account for her but said it couldn't find a way to do so. Mrs D was unhappy with HSBC's response and so complained to our service. Following our involvement, HSBC offered an additional £200 in compensation.

One of our investigators looked into Mrs D's complaint but didn't recommend they uphold it. They said that HSBC hadn't acted unfairly when it had said that it couldn't re-instate Mrs D's closed account and that the £300 in compensation that HSBC had ultimately offered was fair.

Mrs D remained unhappy and asked for her complaint to be referred to an ombudsman for a final decision. Her complaint was, as a result, passed to me.

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.

I've listened to the application that Mrs D made to open a current account with HSBC – once it became clear that her old account couldn't be re-instated – and the subsequent attempts and discussions between Mrs D and HSBC aimed at getting a current account open for her. I've also listened to internal calls between agents in various different departments within HSBC aimed at getting a current account open for Mrs D. Based on what I've heard, it's clear that:

- a) HSBC wanted to open a current account for Mrs D; and
- b) Mrs D wanted to open a current account with HSBC.

None of the departments involved – seemingly all of the relevant ones – have, however, been able to work out how to do this given Mrs D's circumstances, including the fact that she's already a customer and lives in the US. That's not helpful, and in this particular case it means that I agree that the most appropriate remedy is to award Mrs D compensation for all the distress and inconvenience this whole process has caused.

Putting things right

Had HSBC not already offered Mrs D £300 in compensation, that's the award I would have likely made. In the circumstances, I agree with our investigator that HSBC has made a fair offer to settle this complaint. HSBC appears to have paid Mrs D £100 already, so that means it needs to pay her an additional £200.

My final decision

HSBC Bank UK Plc has already made an offer to pay £300 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC Bank UK Plc should pay Mrs D £300 in compensation. In other words an additional £200 in compensation as it appears to have paid Mrs D £100 already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 19 February 2026.

Nicolas Atkinson
Ombudsman