

The complaint

Mr G complains that HSBC UK bank Plc cancelled his life policy protection plan without providing a proper explanation.

What happened

In February 2024, Mr G applied to HSBC and took out a life protection and critical illness policy. Mr G paid just under £70 per month for the cover, which would pay a lump sum in the event of Mr G's death or him being diagnosed with specific illnesses. Mr G also had bank accounts with HSBC.

In November 2024, HSBC decided to review Mr G's accounts to comply with its legal and regulatory obligations. Following its review HSBC decided to close all Mr G's accounts and cancel his life policy in March 2025.

Mr G complained to HSBC. He said HSBC treated him unfairly by cancelling his policy. He said he'd paid his premiums for several months and wants them refunded and HSBC to explain why it cancelled his policy.

In response, HSBC said that it had reviewed and closed Mr G's policy in line with the terms and conditions. HSBC also pointed out that Mr G was covered up until the time the policy was cancelled – so he'd had the benefit of the protection that the policy offered. So, it wasn't willing to refund Mr G the premiums he'd paid.

Mr G remained unhappy and asked us to investigate his complaint. He said he had to go to the trouble of rearranging another life policy and wants his premiums refunded. He's said every penny counts and he's now out of pocket.

After looking at all the information the investigator said that HSBC hadn't treated Mr G unfairly when it had cancelled his policy. Based on the information HSBC had shared with us in confidence she didn't recommend HSBC should do anything further to resolve Mr G's complaint.

Mr G disagreed and asked for his complaint to be reviewed by an ombudsman. So, the matter has come to me to decide.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive

information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether HSBC has treated Mr G fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No courtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr G's submissions.

I want to make it clear that I understand why what happened concerned Mr G. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that HSBC had decided it no longer wanted to offer him a life policy. But as the investigator has already explained, HSBC has extensive legal and regulatory responsibilities they must meet when providing services and products to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

I've considered the basis for HSBC's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied HSBC acted fairly by reviewing the services and products it was providing to Mr G. I appreciate that Mr G wants to know more about why HSBC did what it did. But HSBC isn't obliged to tell Mr G why it completed its review. And I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

The terms and conditions of Mr G's life policy also make provision for HSBC to cancel a policy. So, I've looked at whether HSBC treated Mr G fairly when it cancelled his policy. Having looked at these terms and all the evidence that the bank has provided, including the information HSBC has provided to this service in confidence, I'm satisfied that HSBC did. And that it was entitled to cancel the policy as it's already done.

I know Mr G feels strongly that HSBC should refund him the premiums that he's paid towards his policy because it has been cancelled. But as HSBC has confirmed, Mr G was provided with cover up until the policy was cancelled. So, he's had the benefit of the protection offered whilst it was in place. And I won't be directing HSBC to refund Mr G his premiums.

In summary, I recognise how strongly Mr G feels about his complaint, so I realise he will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling HSBC to do anything more to resolve Mr G's complaint.

My final decision

For the reasons I've explained, 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 24 December 2025.

Sharon Kerrison
Ombudsman