

The complaint

M, a limited company, complains about HSBC UK Bank Plc's decision to decline their account application.

M is represented by Miss H, a director.

What happened

In January 2025 Miss H submitted an application for M to open an account with HSBC. But after reviewing the information submitted HSBC decided not to open an account for M.

Miss H didn't understand why, and she believed she'd met the criteria for opening an account. She complained on behalf of M. HSBC responded to say that they had declined the application in line with their current policies but didn't provide any further details.

Dissatisfied with this Miss H referred M's complaint to our service. She told us she felt that HSBC had categorised her business as an unsupported industry, and discriminated against her based on her sex.

One of our investigators looked at what happened, but she wasn't persuaded HSBC had done anything wrong. She said that HSBC had a right to choose who they opened accounts for, and they didn't have to explain this in detail. In this case was satisfied that the reasons for declining M's application were reasonable.

Miss H didn't agree. She also provided some information on HSBC agreeing they have misreported lending arrears on her personal credit file. But our investigator didn't think this would change anything.

As no agreement could be reached the complaint has now been passed 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've taken on board all the points that Miss H has raised in relation to this complaint, and I acknowledge that she has asked for a determination on whether she has been discriminated against, under the Equalities Act 2010. But this act itself states that only a court can determine whether it has been breached – this isn't something I can make a finding on.

What I can consider is broadly whether HSBC's reasons to decline M's account application were reasonable – taking into account the relevant legislation, regulations, and what I consider to have been good practice at the time. Like all financial businesses in the UK HSBC have a significant degree of discretion on who they provide accounts to, and on what basis. Only in exceptional circumstances would I say that they ought to reasonably have opened an account, if it falls outside their own criteria.

Here I'm satisfied that HSBC assessed M's application in an appropriate time and gave due consideration to the information provided during the application process. They have not given M any specific information about the decline – and I can't see that they told Miss H that M fell into a list of "unsupported industries". In any case, HSBC aren't obliged to explain why they have declined to open an account.

HSBC however have given some more information to our service. I'm satisfied that our rules allow me to receive certain evidence in confidence – for example if it contains commercially sensitive information. And here I see that it's appropriate for me to treat this information as confidential.

I'm satisfied that HSBC's decision to decline the account application was reasonable. I'm satisfied this as a legitimate commercial decision that they were entitled to make. And while I won't be disclosing their reasoning, I can assure Miss H that I've seen nothing to suggest the nature of M's business or her own sex were deciding factors in declining the application. I'm not persuaded that M has been discriminated against.

I've also considered the further information Miss H has sent about how her personal lending with HSBC was reported on her credit file. And I can see HSBC have now agreed to record some of the information about her personal lending differently. But the decision to decline the application was based on the available information at the time. And since HSBC would have been able to check their own systems for credit information, they would have been able to draw any necessary conclusions from that. So, I don't see that this makes a considerable difference to how they handled M's application.

I appreciate this will be disappointing to Miss H, but I'm not persuaded that HSBC have been unreasonable here. As such, I'm not asking them to do anything further.

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 M to accept or reject my decision before 17 November 2025.

Thom Bennett
Ombudsman