

The complaint

Mr A complains about the actions taken by HSBC UK Bank Plc when it applied restrictions to his account pending the outcome of a review.

What happened

In February 2025, HSBC blocked Mr A's account whilst it carried out a review. All transactions through the account were inhibited, leaving Mr A unable to use his debit card for payments and direct debits set up on his account weren't paid.

Mr A complained to HSBC about the restrictions on his account and the lack of information about what was happening. HSBC didn't uphold his complaint. It said HSBC had the right to review all accounts at any time and without prior notice. It said it wasn't required to provide details or explain why the account was being blocked and it didn't have any obligation to warn Mr A before applying restrictions. It also said it couldn't provide a timescale for the review.

Mr A didn't feel this was a satisfactory response and so he brought his complaint to us.

HSBC closed his account in April 2025 saying it no longer wished to provide Mr A with banking facilities.

Our investigator didn't consider that HSBC did anything wrong or that it needed to do anything further. Mr A disagreed with our investigator. Further correspondence followed with Mr A, but this was mainly about information recorded with a third-party about Mr A and why HSBC had closed the account.

Mr A asked for an ombudsman to review his complaint, so it comes 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 am only looking at Mr A's complaint about HSBC blocking his account. During our investigation, Mr A has kept us updated on his dealings with HSBC and his further concerns related to HSBC's decision to close his account. But I can't address those further issues within this decision. I can only comment on the points Mr A raised with HSBC in February 2025 when he phoned to complain about HSBC restricting the account (which HSBC responded to by letter the same day). That's because the rules I'm bound by say that HSBC must first have had the opportunity to address any issues itself and issue a final response before we can consider them. So it's up to Mr A to raise any subsequent issues with HSBC and, if he's still unhappy, he may be able to bring a further complaint to us as a new referral.

Having thought about everything, I've independently reached the same overall conclusion about the account block as our investigator. I'll explain my reasons.

HSBC must comply with its legal and regulatory obligations. This means HSBC needs to monitor its customers' account activity and on occasion it may decide it needs to carry out a review on a particular account, to better understand how the account is being used. HSBC might also think it necessary to block the account while it carries out its review process.

The account terms and conditions, which Mr A would've signed up to in order to be able to use the account, make provision for HSBC to do this.

Having looked at what happened, I don't consider it was unreasonable for HSBC to review what was happening with Mr A's account. And it was appropriate for HSBC to block any further activity on the account while it did so. I am satisfied that this was in line with HSBC's legal and regulatory obligations. So whilst I appreciate this was disruptive to Mr A, I can't fairly say that HSBC acted unfairly or unreasonably when it blocked his account during the review process.

I've taken into account that Mr A highlighted the problems this caused him when he was out shopping and direct debits weren't paid. But this wouldn't be expected when an account is under review. HSBC doesn't have any specific obligation to explain to Mr A why his account was being reviewed, and in this case, it declined to do so.

I note however that HSBC told Mr A that whilst the block was in place, he could still withdraw any salary or benefit payments in branch with supporting documentation to evidence the payment. This was an option that HSBC was able to offer that could've helped to mitigate the financial impact on Mr A in these circumstances and I am satisfied it drew this to his attention appropriately.

I recognise that Mr A found all this frustrating. But to uphold this complaint I would need to be able to fairly say that HSBC did something wrong or acted in a way that wasn't fair and reasonable – and I haven't seen enough here to do so. It follows that I won't be asking HSBC to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 October 2025.

Susan Webb
Ombudsman