

The complaint

Mr B complains that HSBC UK Bank Plc closed his basic bank account without providing an explanation. Mr B is also unhappy with how HSBC handled the matter, which has impacted his mental health.

To put things right Mr B wants the account reopened.

What happened

Mr B had a basic account with HSBC.

In 2022, Mr B raised disputed transactions claims with HSBC.

HSBC investigated Mr B's claims and held him liable for the transactions. Following this HSBC decided to close Mr B's account immediately. On 27 December 2023, HSBC wrote to Mr B to let him know he'd need to make alternative banking arrangements.

On 29 December 2023, M B contacted HSBC to find out why he hadn't received a new bank card. During the conversation HSBC told Mr B it was because it had decided to close his account. Mr B asked HSBC to explain why it closed his account and asked to speak to their fraud team. The advisor told Mr B this wasn't possible and that the bank wouldn't reverse its decision about closing his account. Mr B said he was very unhappy and would be left without any banking facilities. HSBC apologised and ended the call without setting up a formal complaint.

Mr B contacted HSBC again on 2 January 2024 to find out why HSBC had closed his account. But HSBC didn't give him any meaningful information.

Mr B remained unhappy and brought his complaint to our service where one of our investigator's reviewed what had happened. He said he'd contacted HSBC over the last two years trying to find out why his account had been closed. And HSBC hadn't given him an explanation why didn't want him as a customer. He said HSBC hadn't responded to his complaint about his account being closed at all. Mr B feels HSBC has discriminated against him because he is not white, nor British, when it made the decision to close his account and not respond to his complaint regarding the closure.

He said at the time he was going through some very challenging personal circumstances, had turned to alcohol and been sent to prison. Overall, he said he was in a vulnerable and his mental health was impacted by HSBC debanking him. He said he raised his concerns about losing his bank account with HSBC over the phone and in branch on numerous occasions but never received a response from HSBC.

The investigator said HSBC hadn't done anything wrong when it had closed Mr B's account. The investigator asked HSBC to provide them with all contact notes held on file since Mr B's account was closed. Whilst there weren't any notes regarding Mr B attending a bank branch,

the contact logs suggest Mr B only spoke to HSBC regarding the closure of his account on 29 December 2023 and 2 January 2024.

The investigator listened to the call that took place on 29 December 2023 between HSBC and Mr B, and they thought it was evident that Mr B was unhappy with the bank's decision to close his account. The investigator said HSBC should have logged a complaint and provided him with a formal response at that time. However, they said whilst HSBC failed to provide the level of service we would expect here, they didn't think that this would've changed the outcome as the bank had reasonable grounds to close Mr B's account. So, they didn't uphold the complaint.

Mr B disagreed. As no agreement could be reached 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 B fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

Firstly, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so mainly using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed 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. I do stress however, that I have considered everything Mr B and HSBC have said before reaching my decision.

It's important to note that my decision focusses on HSBC's actions in regard to Mr B's account. It's not my role to determine the legal validity and basis of any rules and regulations – but I will of course take into account any that are relevant here. So, that means my decision will consider whether I think HSBC has acted in line with any obligations placed upon it, and that it's acted fairly and reasonably in the circumstances of this complaint.

I know Mr B has said that he wants HSBC punished for closing his account. But our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct (FCA), can do this.

HSBC has extensive legal and regulatory responsibilities they must meet when providing account services to its customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. That sometimes means HSBC need to review, or in some cases go as far as blocking and closing customers' accounts, which is what happened here.

Mr B had a basic bank account. These types of current account are intended for people who don't have and don't qualify for standard current accounts. In order to be eligible for a payment account with basic features an individual shouldn't hold a payment account with any United Kingdom credit institution that has at least the features of a basic bank account.

When closing a basic account, along with the terms and conditions of the account, HSBC also had to consider the provisions of the Payment Accounts Regulations Act 2015 (PAR's 2015). Amongst other things they set out when an account provider can close a basic bank account. These outline that HSBC can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case, HSBC closed Mr B's account immediately.

For HSBC to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence, including the information that HSBC has shared with our service in confidence, I'm satisfied that HSBC did. So, it was entitled to close the account as it's already done and end its relationship with Mr B. I'm also satisfied this conduct meets the definition of the criteria set out under the PAR's 2015, which allow for immediate closure. I'm also satisfied that HSBC closed Mr B's account in line with the terms and conditions. This means I won't be asking HSBC to reopen Mr B's account.

HSBC has provided some further details of its decision-making process, I'm sorry but I can't share this information with Mr B due to its commercial sensitivity. But I've seen nothing to suggest HSBC's decision around closing Mr B's account was unfair. So, it wouldn't be appropriate for me to ask HSBC to pay Mr B compensation since I don't find HSBC did anything wrong when it closed Mr B's account

I understand of course why Mr B wants to know the exact reasons behind HSBC's decision to close his account. It can't be pleasant being told you are no longer wanted as a customer. But HSBC doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr B the reasons why it closed his account, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it to do so now.

Mr B has said HSBC's actions are discriminatory and the bank didn't take into his account how its actions impacted him. Mr B has come to this conclusion because HSBC closed his account despite him telling the bank about his circumstances and mental health conditions. Mr B also believes HSBC closed his account because he isn't British and his surname isn't English – so HSBC treated him differently based on his nationality.

While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr B has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that HSBC would have treated another customer with similar circumstances any differently than Mr B. After looking at all the evidence, I've not seen anything to suggest HSBC treated Mr B unfairly when it decided to close his account.

I can also see that HSBC tried to get more information from Mr B about his health when he alluded to them in a phone call he was suffering from depression and referred him to its Specialist Support Team. But Mr B didn't want to work with the team. I note too that Mr B didn't make HSBC aware of his full circumstances. I do think Mr B had some responsibility to

work with HSBC if he required reasonable adjustments. But he didn't engage with HSBC. So, when I weigh everything I can't say HSBC treated Mr B unfairly when it closed his account.

Lastly, Mr B says he is upset that HSBC didn't acknowledge his complaint about them closing his account. He's said he called them and visited a branch on more than one occasion. And he has had to wait around two years to get an answer.

I don't doubt Mr B contacted HSBC. But HSBC have only been able to provide me with one recording of a call it had with Mr B on 29 December 2023, and a screen shot of its call notes when Mr B spoke to them again in January 2024. Like the investigator I've listened to the call recording. Having done so I think it was clear that Mr B was very unhappy that HSBC had closed his account. So, I think HSBC should have set up a complaint for Mr B regarding his account being closed.

Mr B has explained to our service in detail how the bank's failure to provide him with a written response has severely impacted his mental health. He felt the bank were purposely treating him differently. I'm sorry to hear that Mr B was impacted so severely due to the bank's actions. I appreciate this would've been very upsetting for him.

Whilst I accept HSBC failed to provide the level of service we would expect here, I have considered the fact that this wouldn't have changed the outcome as the bank had reasonable grounds to close the account. So, I won't be asking HSBC to do anything more regarding this aspect of Mr B's complaint.

In summary, having considered everything, while I appreciate Mr B's strength of feeling and why he feels he's been treated unfairly, I'm not persuaded HSBC acted unreasonably or unfairly in the circumstances. So, I won't be asking HSBC to do anything.

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 B to accept or reject my decision before 30 October 2025.

Sharon Kerrison
Ombudsman