

The complaint

Mr E complains that HSBC UK Bank Plc has restricted his account and withheld access to funds.

What happened

Mr E had an account with HSBC. On a number of occasions in 2024, HSBC restricted Mr E's account. HSBC says this was because third party banks had contacted them to say that customers had raised concerns about the credits into the account. It says that since February 2025, the account has been restricted due to statutory requirements. HSBC also asked Mr E for details of around 20 payments into his account, ranging from £0.02 to £1,000. Mr E says these funds were the proceeds from the sale of cryptocurrency. He complained to HSBC and referred the complaint to us.

Our investigator looked at the complaint and didn't think it should be upheld.

Mr E doesn't agree. The complaint has been referred 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.

HSBC, like all financial businesses, is subject to important legal and regulatory requirements aimed at preventing financial crime. This means that it is required to monitor transactions through its customers accounts, and may need to carry out a review at any time. This is reflected in the terms and conditions that applied to Mr E's account, which allow HSBC to ask for information and restrict access to an account. The terms allow it to limit access to money while it asks Mr E to show that the money was meant for him. The terms also allow HSBC to restrict payments out of the account in certain circumstances, including where someone else may have a claim over the money.

HSBC has told Mr E that it restricted the account because third party banks had contacted HSBC to say their customers had contacted them as they'd raised concerns about the credits in question. With all this in mind, I'm satisfied that HSBC's legal and regulatory requirements, and the applicable terms and conditions, entitled them to block Mr E's account to look into things. I cannot say this is unfair.

The funds now remained blocked. HSBC says its review remains ongoing. I've thought about this. I'd expect HSBC to complete its review in a timely manner. Our rules allow us to receive information in confidence. Examples of information we may receive in confidence includes information about third parties and security information. Here we've received further information about HSBC's actions. I'm satisfied this information is sensitive and cannot be shared with Mr E. Based on what I've seen, I cannot say HSBC is acting unfairly in withholding the funds while it completes its review. I appreciate Mr E would like to know more, but it wouldn't be appropriate for me to share more with Mr E than HSBC already has.

HSBC's review continues. If the position changes, I trust it will update Mr E.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 3 December 2025.

Rebecca Hardman
Ombudsman