

The complaint

Mr H complains about the actions and service provided by HSBC UK Bank Plc when it blocked his account. To put things right, he wants an apology and compensation.

What happened

On 28 July 2025, HSBC was alerted by a third-party bank, on behalf of their customer, that two payments into Mr H's account were linked to a scam. This prompted HSBC to restrict Mr H's account until 4 September 2025.

Mr H was cleared of any involvement in fraud but HSBC said it acted correctly in response to the information received.

Our investigator considered that HSBC handled the situation in a fair and reasonable way, given the information it had at the time.

Mr H disagreed, mainly saying that HSBC had failed to meet expected professional standards, particularly in relation to looking after his interests as its customer and it had failed to communicate in a clear, fair and not misleading way.

The complaint came to me for a decision.

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.

This includes listening to call recordings provided to me.

I can understand why what's happened has been inconvenient for Mr H. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

In coming to my decision, I've taken into account relevant law, regulatory requirements and best industry practice when making my decision – which includes the Principles set out by the Financial Conduct Authority specifically mentioned by Mr H. My focus is on the key issue I need to decide – whether HSBC treated Mr H fairly and reasonably overall and if not, whether it needs to do more to put right any detriment caused.

To meet its legal and regulatory obligations, HSBC is required to have processes in place to help keep customers' money safe and prevent fraud. Sometimes this might mean that HSBC identifies and blocks a legitimate debit or credit and applies account restrictions. When this happens, it understandably causes inconvenience. But it doesn't necessarily mean HSBC acted incorrectly or unfairly.

HSBC had reason to flag two credit payments for further security checks after receiving a fraud alert from another bank and this is why Mr H's account was blocked. HSBC's terms and conditions, which Mr H would've signed up to in order to be able to use the account, allow HSBC to stop payments and block accounts in these circumstances. HSBC explained to Mr H that this action was taken to generate contact and gain a clearer understanding of the transactions whilst also preventing the removal of any funds during the ongoing investigation.

HSBC made Mr H aware of what it needed to see in correspondence dated 28 July 2025 (the same day the block was applied) when it advised Mr H that it had restricted his account access '*until you provide evidence and/or documentation that supports the purpose of these credits*'. It was reasonable for HSBC to request sight of the documentation it asked for, given that it needed to verify the legitimacy of a credit that had been flagged as potentially fraudulent. This letter also explained the limited nature of the restriction. Mr H was still able to receive other incoming payments to the account although outgoing payments wouldn't be processed during the review and that whilst his account was restricted, he was able to access Salary and/or Benefit credits via his local HSBC branch.

And during a phone call on 30 July 2025, when HSBC's agent asked Mr H if he had '*evidence for this credit*' such as transaction details or a message, Mr H confirmed '*Yes- I do have a message*'. So I think HSBC did enough to clarify its requirements – even if Mr H felt other staff he spoke to could've been clearer, he would've known that he hadn't supplied the details HSBC said it wanted and that didn't happen until he provided the information to his solicitor who passed it on to HSBC

HSBC only received the evidence it had requested when Mr H's legal advisor made contact with HSBC on 3 September 2025, after Mr H had lodged his complaint. And although the claim that triggered the alert had since been retracted, HSBC said it had no record of this on its system until the full facts were clarified on 4 September 2025. Only at that point was HSBC able to remove the account restrictions – and it did so.

It's possible that HSBC could've done more to proactively track developments concerning the scam alert. But ultimately, this doesn't affect my overall view because Mr H could've resolved things sooner himself if he'd produced to HSBC directly the information he gave his solicitor. And the detrimental consequences of the account block were substantially mitigated in any event by HSBC still allowing Mr H to access earnings paid into his account.

Looked at overall, I am satisfied that the limited restriction that was applied and the length of time it was in place was proportionate to the risk in light of the available information. I don't consider there was any significant or unreasonable delay on HSBC's part making Mr H aware at the earliest opportunity what documents were required from him to have the block lifted. And whilst I appreciate that having his account blocked was disruptive for Mr H, HSBC had told him at the outset that despite the account restrictions he could still access his earnings by going to a branch. So he wasn't left without financial means during this period. And when HSBC was able to be satisfied on 4 September 2025 that it was no longer necessary to restrict the account, it acted promptly to remove the restrictions.

I'm sorry that Mr H found this such a frustrating experience. But for all these reasons, I'm not upholding his complaint. It follows that I can't tell HSBC to pay his legal fees or award any other compensation.

My final decision

For the reasons I have set out above, 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 H to accept or reject my decision before 16 February 2026.

Susan Webb
Ombudsman