

The complaint

Mr W complains that HSBC UK Bank Plc deleted a payee from his account without his knowledge or consent.

What happened

The background to this complaint is well known to both parties so I will just provide a brief overview of key events here.

Mr W had a current account with HSBC. A family member was on his account's list of payees. When he tried to transfer money to them he was unable to, as they had been deleted as a payee. Mr W complained to HSBC about the removal of the payee and about not being given notification of this. After contacting HSBC, Mr W also complained about HSBC trying to contact him by telephone rather than email to discuss the complaint.

HSBC responded and said it had not made any errors. It told Mr W that in an attempt to protect customers from potential fraud and financial crime, it made the decision to remove unused payees from accounts after 13 months without a payment being made. It said it used this timescale as it applied to other types of payments. In addition, it said its complaint handler contacted Mr W by phone to discuss his complaint as it was obliged to contact customers to try and understand complaint issues better.

Mr W remained unhappy and so brought his complaint to this Service. He told us that this matter caused distress to both him and his family member. He asked to be compensated for the way he was treated.

When this Service contacted HSBC, it said although it made no errors, it offered Mr W £50 as a gesture of goodwill. Mr W declined this offer.

Our Investigator did not uphold Mr W's complaint. She said HSBC's decision was a commercial one that this Service could not comment on.

Mr W responded and said the terms of his account allowed HSBC to cancel direct debits or standing orders after 13 months of inactivity but said this did not include payees.

As Mr W did not agree with what our Investigator said, this came to me for a decision.

I contacted Mr W to let him know that his complaint point about being phoned rather than emailed by the HSBC complaint handler was not something I could consider, as complaint handling is not a regulated activity. I gave Mr W the opportunity to respond, but he did not. I am now in a position to issue a final 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.

I have considered whether HSBC made an error here when it deleted Mr W's family member as a payee from his account, and I'm satisfied it did not. I'll explain why I say this.

HSBC said it made a decision to delete all payees from accounts, where the payee has not been used for 13 months, for security reasons. It said it has an obligation to ensure account information is accurate and up to date.

The approach we take here is that we would rarely interfere with any reasonable security measures taken by a business to protect their customers and themselves. I think this particular measure was reasonable and that the impact was minimal, given that Mr W simply had to add the payee to his account again.

I know that Mr W was also concerned that the terms and conditions of his account did not say HSBC would take this action after a certain amount of time had elapsed.

I can see that, as Mr W said, it is not outlined in the terms that payees could be deleted after a particular period of time. But I do not think it needed to be. While financial institutions should do what they can to ensure significant, onerous and impactful actions that can be carried out by them are included in terms and conditions, the fact is that it is not possible for all policies and procedures to be outlined in terms and conditions. As I said above, I think the removal of payees has a minimal impact, so I'm satisfied HSBC did not act unreasonably here when it did not outline this in the terms.

I understand why Mr W would want to be informed of actions taken by HSBC in relation to his account, and so I can understand why it was frustrating for him to find he had to unexpectedly add the family member to his account again as a payee. But as this was a minor action on the part of HSBC, with a minimal impact on Mr W, I don't think it was necessary to inform Mr W that it was happening.

I want to assure Mr W that I do understand why he found this situation frustrating, given his family member's personal circumstances. I realise he was trying to get money to this family member that was needed by them, and so this caused stress to both him and them. But I could only ask HSBC to take further action if I thought it had made an error or acted unfairly and, although I know my decision will disappoint Mr W, I'm satisfied it has not.

As mentioned earlier, HSBC made an offer of £50 to settle this complaint. If Mr W would like to accept this offer now, then he would need to contact HSBC directly.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 December 2025.

Martina Ryan
Ombudsman