

The complaint

Miss O complains that HSBC UK Bank Plc closed her account without providing a proper explanation. Miss O H says this caused her unnecessary stress and worry. And made it difficult to manage her loan repayments.

What happened

Miss O had a current account with HSBC. Miss O also has a loan account with HSBC.

Miss O has explained that although she has another bank account her HSBC account was her main account. And she used it to pay for everyday living expenses and make her loan repayments via direct debit from the account.

In July 2025, HSBC decided to review Miss O account to comply with its legal and regulatory obligations. On 1 July 2025, HSBC wrote to Miss O to let her know that following a review it had decided to close her current account. And gave her 60 days' notice to make alternative banking arrangements. HSBC told Miss O that it wouldn't close her loan account, and that she could continue to make repayments from another account.

Miss O complained to HSBC. She said she wanted to carry on banking with HSBC, and she was finding it difficult to make her loan repayments due to being in and out of the UK.

In response, HSBC said that it had reviewed and closed Miss O's accounts to comply with its legal and regulatory obligations. And wasn't willing to provide a further Miss O with a further explanation. HSBC said it was happy to keep Miss O's loan account open. But said it wasn't willing review its decision to close her current account.

Miss O remained unhappy and asked us to investigate her complaint. She wants HSBC to provide a proper explanation about why it closed her account and reopen her account. Miss O said HSBC's actions made her feel stressed and worried

After looking at all the information the investigator said that HSBC hadn't treated Miss O unfairly when it had closed her account. They were satisfied that HSBC had sent Miss O a closure notice. And had closed the account in line with the terms and conditions. The investigator also said Miss O was able to keep up with her loan repayments by making payments towards it from another account. So they said HSBC didn't have to do anything more to resolve Miss O's complaint.

Miss O disagreed. She wants to know why HSBC closed her account and feels very let down that the bank haven't explained why it no longer wants her as a customer.

Miss O asked for an ombudsman to review things. So 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 Miss O fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No courtesy is intended by me in taking this approach. Instead, I've focused 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. But I have read all Miss O's submissions.

I want to make it clear that I understand why what happened concerned Miss O. I've no doubt it would've come as quite a shock to her, and she would've been very worried to find out that her account was going to be closed. But as the investigator has already explained, HSBC has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with these responsibilities HSBC will sometimes review accounts and go so far as closing them.

I've considered the basis for HSBC's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied HSBC acted fairly by reviewing Miss O's account. I agree that the timing of HSBC's review and subsequent decision to close Miss O's account was unfortunate. Miss O was travelling back and forth overseas for family reasons. But whilst I have sympathy for Miss O it's not in my remit to tell HSBC what type of account review they should be conducting or when they should conduct account reviews. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. And that's what I have done here.

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, account facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep customer or require it to compensate a customer who has had their account closed.

As long as banks and financial businesses reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide account services without proper reason, for instance of unfair bias or unlawful discrimination.

HSBC have relied on the terms and conditions when closing Miss O's account. I've reviewed the terms, and they explain that HSBC can close an account for any reason by giving 60

days' notice. I've seen the letter HSBC sent to Miss O giving her two months' notice, so I'm satisfied HSBC has complied with this part.

I've next gone on to consider whether HSBC's reason for closing the account was fair. In doing so, I appreciate that HSBC are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite HSBC should have in place.

HSBC has provided some further details of its decision-making process, which led to the closure of Miss O's account. I'm sorry but I can't share this information with Miss O due to its commercial sensitivity. But I've seen nothing to suggest HSBC's decision around closing Miss O's account was unfair. On balance when considering HSBC's wider regulatory responsibilities and all the information available to me, I find HSBC had a legitimate basis for closing Miss O's account. So, I can't conclude HSBC treated Miss O unfairly when it closed her account. And I won't be directing HSBC to reopen the account.

I understand of course why Miss O wants to know the exact reasons behind HSBC's decision to close her 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 Miss O the reasons behind the account closure, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Miss O this information. And it wouldn't be appropriate for me to require it to do so now.

Finally, Miss O has said that the closure of her current account has made it difficult for her to make her HSBC loan repayments. I can see that when HSBC wrote to Miss O to let her know it was closing her account, it told Miss O that her loan account would remain open. And provided details about how she could make repayments from another account. I note Miss O has told us that she does have another bank account, so I see no reason why Miss O can't repay what she owes HSBC via her other account. I appreciate that this will require some arranging, on Miss O's part, but I don't think HSBC have done anything wrong in providing the advice it did about how Miss O could maintain her loan repayments.

In summary, I recognise how strongly Miss O feels about her complaint, so I realise she will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling HSBC to do anything more to resolve Miss O's complaint.

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 Miss O to accept or reject my decision before 22 December 2025.

Sharon Kerrison
Ombudsman