

## **The complaint**

Mr P complains HSBC UK Bank Plc (“HSBC”) blocked and then closed his account with immediate effect. Mr P is also unhappy that after another bank removed an adverse fraud marker it applied against him, HSBC refuse to re-open an account for him.

Mr P says HSBC’s actions have caused him substantive distress and inconvenience.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I have decided to not uphold this complaint. I’ll explain why.

Banks in the UK, like HSBC, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means HSBC needs to restrict, or in some cases go as far as closing, customers’ accounts.

HSBC has explained and provided some supporting evidence as to why it reviewed and restricted Mr P’s account. Having carefully considered this, I’m satisfied HSBC acted in line with its obligations.

HSBC is entitled to close an account just as a customer may close an account with it. But before HSBC closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which HSBC and Mr P had to comply with, say that it could close the account by giving him at least two months’ notice. And in certain circumstances it can close an account immediately or with less notice.

HSBC closed Mr P’s account with immediate effect. HSBC has provided this service with an explanation and supporting evidence as to why it closed Mr P’s account in this way. Having considered this information carefully, I am satisfied HSBC acted in line with its terms and conditions when closing the account in this way.

I know Mr P would like a detailed explanation as to why HSBC acted in this way, but HSBC is under obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information HSBC has provided is information I consider should be kept confidential.

In reaching this finding, I have also considered that HSBC may have closed a Basic Bank Account and whether it should have signposted Mr P to its provision of such an account had that not been the case here. But for the reasons I am treating in confidence, I’m satisfied

HSBC hasn't done anything wrong in respect to these two issues.

Mr P argues that HSBC should now reconsider a new account application as he has had an adverse Cifas marker removed by another bank. As I've said, HSBC has provided this service with its reasons to close and not offer a new account. Based on this and the supporting evidence, I don't think HSBC is doing anything wrong with not looking at a new application and opening a new account. HSBC is equally under no obligation to explain why.

As I don't think HSBC has done anything wrong, I see no basis in which to make an award for the distress and inconvenience Mr P says he suffered. In saying this, I'd like to assure Mr P that I don't undervalue the impact HSBC's actions have had on him.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 February 2026.

Ketan Nagla  
**Ombudsman**