

## **The complaint**

Mr A complains HSBC UK Bank Plc unfairly restricted his account and refused to process a cheque he deposited.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

On 5 March 2025 Mr A deposited a \$5,000,000 cheque, issued by another bank called C. Mr A was advised it would take around 15 days for the cheque to be processed.

HSBC reviewed the cheque and restricted Mr A's account on 24 March 2025. The cheque was not deposited, and Mr A contacted HSBC numerous times to query what it had done with the cheque and why his account was restricted. Mr A raised a formal complaint about HSBC's actions, and in its final response letter dated 9 April 2025, HSBC explained it could review and restrict the account in line with the account terms, and there was no set timeframe for the review. HSBC confirmed Mr A could withdraw wages and benefits in branch with the relevant documentation whilst the review was underway.

Unhappy with HSBC's response, Mr A referred his complaint to our service. Mr A said HSBC's actions were unfair and the lack of access to his funds was having a detrimental impact on him as he had financial obligations to meet. Mr A provided evidence which he says show the source of the funds he wanted to deposit via cheque.

Our Investigator's gathered the relevant evidence and issued their findings. In summary, they thought HSBC had been entitled to restrict and review the account in line with its legal duties and the account terms. They also found HSBC's queries regarding the source of the cheque to be fair and in keeping with its wider responsibilities to prevent financial crime.

The Investigator also explained that our review would focus on the complaint points raised by Mr A with HSBC from the time the account was restricted and its final response letter. Any additional follow-up issues would need to be raised with HSBC directly.

Mr A remained unhappy with our service's review. As no agreement could be reached, the case has been referred to me – an ombudsman – for 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.

Firstly, I am sorry to see Mr A has had cause for complaint. I can see he has found the experience with HSBC to be a source of concern. I'd like to reassure Mr A that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I

think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Having done so, I've decided to not uphold this complaint. I'll explain why.

I'll start by setting out some context for the review of Mr A's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.

In Mr A's case the review of the account was prompted by Mr A's request for a large international cheque to be cashed. HSBC will have a set of internal triggers and checks in place, and when these are flagged additional checks will need to be conducted. Further, the account terms and conditions also allow HSBC to conduct checks on the account and restrict it, in order for it to meet its legal and regulatory duties. So, I'm satisfied HSBC was complying with these obligations when it reviewed Mr A's account and the cheque he tried to cash.

As part of its review HSBC asked Mr A for further information regarding the source of the cheque. I can see Mr A has provided some additional evidence – this includes details of the sale of shares, and he has explained that funds were due to him as he sold his part of a business in Dubai. I can see HSBC has reviewed this evidence, alongside the account activity as part of its review. HSBC has also reached out to the sending bank – C, as part of its enquiries. I consider the steps it took at the time it restricted and reviewed the account to be fair and in keeping with its legal duties.

I appreciate Mr A's comments that the restriction had an adverse impact on him, as he was unable to meet his business commitments. I do realise this matter would've caused him difficulty – reviews of this nature don't have a specific time frame and depend on a number of factors. But I must also add that HSBC has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe and detect financial crime. This includes identifying transactions on accounts that it considers needs further information about. I can see that Mr A has co-operated with the review and provided information when required. However, it is for HSBC to decide what it deems to be acceptable and appropriate evidence in order for the account restriction to be removed. Based on what I've seen I consider the steps taken by HSBC to be reasonable, and I can't see it has caused any unnecessary delays.

As the Investigator explained, this complaint has considered the issues Mr A raised when his account was first restricted and he tried to deposit his cheque. I can see matters have moved on since then – with the account being unrestricted, then restricted again. HSBC has also confirmed the cheque has been destroyed. Mr A will need to raise a separate complaint about these issues if he remains unhappy.

I know this will not be the outcome Mr A was hoping for, but I am satisfied HSBC acted reasonably in taking action to discharge its regulatory obligation. I know Mr A will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking HSBC to take any further action or compensate Mr A in relation to his account block.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 February 2026.

Chandni Green  
**Ombudsman**