

The complaint

X complains that HSBC UK Bank Plc unfairly closed his accounts.

What happened

X complained to HSBC following the closure of his accounts in September 2024. He's unhappy this was carried out without an explanation. X also complains about some service issues he experienced following the closure, which meant he was unable to access essential documents such as his account statements.

In its response, HSBC explained it had closed X's accounts in line with its terms and conditions. The bank also apologised for the service issues X experienced and offered him £350 compensation and 8% interest on his funds for the period he was unable to access his remaining balance.

Remaining unhappy, X asked this service to independently review his complaint. Our investigator issued their outcome, explaining that HSBC had acted fairly. X disputes this because HSBC closed his accounts without providing notice. Because he didn't agree, the complaint has been passed to me for a final review.

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.

As our investigator said, HSBC has important legal and regulatory responsibilities to meet when providing accounts to customers. These obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. HSBC may need to review accounts to comply with these responsibilities.

I've also considered the basis for HSBC's review, which I find was legitimate and in line with its legal and regulatory obligations. I should also add that I don't think HSBC is under any obligation to disclose to its customers what triggers a review of their accounts. For this reason, I can't say that it's done anything wrong by not giving X this information. And it wouldn't be appropriate for me to require it to do so.

HSBC's terms and conditions say that it can close an account by giving two months' notice, or with immediate effect in certain circumstances. Having looked at all the evidence and the terms and conditions, I'm satisfied that HSBC was acting fairly and reasonably when it decided to close X's accounts immediately.

HSBC has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that HSBC's decision around closing X's accounts was unfair.

X understandably would like to know the reason why HSBC decided to close his accounts. As I said above, HSBC doesn't need to give him a reason why, as much as he'd like it to. The same would apply to X if he'd decided to change to another bank.

I appreciate X experienced some service issues following the closure, which HSBC seems to have accept responsibility for and has offered compensation as well as an apology. X has confirmed he's since been able to access the relevant documents. So I won't comment on these issues further.

Overall, I'm satisfied HSBC acted fairly in deciding to close X's accounts immediately, without providing X with an explanation. Should X decide he'd like to accept HSBC's offer, if he hasn't done so already, he should contact the bank directly.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 9 January 2026.

Abdul Ali
Ombudsman