

The complaint

A limited company, which I'll refer to as 'W', complains that the actions of HSBC UK Bank Plc caused it to lose out on account interest it should reasonably have received.

W's complaint is brought to this service by its director, whom I'll refer to as 'Ms R'.

What happened

Ms R enquired with HSBC about fixed-term savings accounts for W in May 2023. In October 2023, HSBC quoted some account interest rates to W but explained that a Foreign Account Tax Compliance Act (FACTA) form needed to be completed before any account could be opened.

Ms R completed the FACTA form in December 2023, but HSBC rejected it because some required information hadn't been provided. Ms R completed the form again the following month, but the form was again rejected for the same reason. Ms R wasn't happy that HSBC hadn't specified in the first instance exactly what information had been missing on the form and needed to be included, so she raised a complaint on W's behalf.

HSBC confirmed to Ms R what information was missing from the FACTA form, and Ms R completed it for a third time in March 2024. This form was accepted by HSBC and accounts were opened for W.

In response to W's complaint, HSBC agreed to effectively honour the interest rates quoted in October 2023 by crediting payments equal to the difference in the amount of interest that W would receive on those accounts for the fixed-term durations. This amounted to £1,125. HSBC also offered to pay £375 to W as compensation for the trouble and inconvenience it had incurred.

Ms R wasn't satisfied with HSBC's offer, especially as one of HSBC's agents had told her not to deposit money into the accounts until the complaint had been resolved, which Ms R felt caused W to delay depositing funds and thus lose out on account interest. So, she referred W's complaint to this service.

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 issued a provisional decision on this complaint on 30 October 2025 as follows:

Ms R has said that when HSBC rejected the first FACTA form, they didn't clearly explain what parts of the form hadn't been completed and what information was therefore missing. Additionally, Ms R has said that when HSBC rejected the second FACTA form, they rejected the form for a different reason to that which they rejected the first FACTA form.

However, HSBC have provided letters that were sent to W regarding the first and second

FACTA form rejections. The first letter, dated 2 January 2024, explained that W had not completed the 'business activity' or provided W's country of tax residence. While the second letter, dated 17 February 2024, explained that the 'business activity' information hadn't been provided.

Accordingly, I'm satisfied that HSBC did explain to W in the first instance that the 'business activity' section of the form hadn't been completed, and that therefore HSBC don't hold any accountability or responsibility for Ms R not completing the FACTA form correctly following the first rejection.

Ms R has also said that she was urgently trying to open the fixed-term savings accounts with HSBC for W. But the timeline she's provided, and which HSBC have confirmed, doesn't demonstrate the urgency that Ms R has claimed here.

For instance, HSBC responded to Ms R's initial enquiries on 24 May 2023, but Ms R didn't respond back until 29 June – 36 days later. HSBC then responded within a week, on 5 July 2023, but Ms R then didn't respond until 26 July 2023, a further 21 days later.

Indeed, while there were some instances of HSBC not responding to Ms R quickly, such as in August 2023, much of the delay between Ms R first enquiring about the accounts and the accounts being opened stem from Ms R not responding to HSBC in a timely manner.

In their response to Ms R's complaint, HSBC agreed to effectively honour the interest rates that were quoted to W in October 2023. This seems fair to me, and I don't feel that HSBC should be asked to backdate the interest rate any further, because as explained, I don't feel that W was urgently trying to open the fixed-term savings accounts as Ms R has suggested.

Ultimately, I feel that the complaint response that HSBC issued to W on 23 May 2024 did represent a fair resolution to W's complaint up to the opening of the accounts in March 2024. To confirm, HSBC's offer at that time was in relation to the opening of a 3 month and a 6 month fixed-term account with deposits of £900,000 per account, and included payments totalling £1,125 to cover the difference in the interest those accounts should have received, and that which they would receive, as well as £375 compensation.

But Ms R has also complained that on 28 March 2024, one of HSBC's agents effectively told W not to deposit any money into the accounts until W's ongoing complaint about the matter had been resolved. This aspect of W's complaint hadn't been referred to HSBC when they issued their complaint response that provided referral rights for this service. So, I've asked HSBC if they consent to my considering it here, and HSBC have confirmed that they do.

I've listened to a recording of the call that took place on 28 March, and I feel that HSBC's agent did effectively recommend that W not deposit any money into its newly opened accounts at that time and to wait until W's complaint had been responded to by HSBC.

As such, I'll be provisionally instructing HSBC to pay interest to W for the period 28 March 2024 to the soonest of either; 1 – the date that W did deposit money into its accounts, or; 2 – 30 May 2024, which is seven days after HSBC issued its complaint response to W, and by when I feel W should reasonably have acted following that response. This interest reimbursement should be made at the rate of interest that W were quoted in October 2023, and which HSBC effectively agreed to honour as per their complaint response.

However, I won't be provisionally instructing HSBC to pay any further compensation to W for trouble or inconvenience caused, beyond the £375 that they initially offered to pay. This is because what happened here is that W deposited money into its accounts later than it reasonably should have done. As such it isn't the case that W were compelled to do

anything additional to what it would have done, but only did what it would have done at a later date.

In summary, my provisional decision is that I uphold this complaint in W's favour and provisionally instruct HSBC to effectively honour the October 2023 interest rates as it had already offered to by making the interest reimbursement payments totalling £1,125. But I also feel that HSBC should pay account interest to W at the October 2023 rate for the period that W was effectively told not to deposit money into its accounts, as explained above. Finally, HSBC should pay £375 to W as compensation for the inconvenience and trouble it has incurred.

Ms R didn't respond to my provisional decision. HSBC did respond and explained that they didn't feel that they should be instructed to pay interest in the manner I'd described.

However, as explained in my provisional decision letter, having listened to the phone call in question, I do feel that HSBC effectively advised Ms R to not deposit money into W's accounts, which meant that W didn't then earn interest on those accounts at the agreed rates from when it reasonably should have. As such, I feel that the fair outcome here is that HSBC should pay the interest that W missed out on.

All of which means that my position here remains as described in my provisional decision letter above. I therefore confirm that my final decision is that I uphold this complaint in W's favour on that basis.

Putting things right

HSBC must pay interest to W for the period 28 March 2024 to the soonest of either; 1 – the date that W did deposit money into its accounts, or; 2 – 30 May 2024, which is seven days after HSBC issued its complaint response to W, and by when I feel W should reasonably have acted following that response.

This interest reimbursement must be made at the rate of interest that W were quoted in October 2023, and which HSBC effectively agreed to honour as per their complaint response.

HSBC must also pay £375 to W as compensation for the trouble and inconvenience it has incurred.

My final decision

My final decision is that I uphold this complaint against HSBC UK Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 12 December 2025.

Paul Cooper
Ombudsman