

The complaint

Miss S complains that HSBC UK Bank Plc blocked her account and didn't give her access to her funds.

What happened

Miss S had an account with HSBC. In September 2025, Miss S received four payments into her account from four different individuals, adding to £13,600 in total. HSBC asked Miss S about these payments. But HSBC decided the account would remain restricted.

Our investigator looked at this. She thought that HSBC was acting in line with its legal and regulatory obligations when it blocked the funds, and so she didn't think HSBC needed to do more.

Miss S doesn't agree. The complaint has been referred 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.

HSBC, like all financial businesses, is subject to legal and regulatory requirements that require it to scrutinise transactions through accounts to make sure they're consistent with what they know about the customer. These regulations may require HSBC to understand the source of payments into the account. Where it doesn't, it may need to restrict access to the account or end the business relationship.

This is reflected in the terms and conditions that applied to Miss S. These state that Miss S must give HSBC any information it reasonably asks for as soon as possible.

Here, Miss S received funds into the account from four third parties. Miss S told HSBC this was because she had an account overseas and she sent the funds to a friend because she didn't know how to make a bank transfer to her HSBC account – but she'd previously transferred funds to her friend and thought it would be quicker this way. More recently we've asked Miss S about the payments. She says the funds came from her father, who paid them into her overseas account. She then transferred the funds to her mother who withdrew them in cash and paid them to a contact of her friend. Her friend paid some of the funds to her UK account directly. Her friend then split the remaining funds with three further contacts, who she says transferred the funds to her UK account on his behalf. Miss S has confirmed that, apart from her friend, she has no direct contact with the people who sent her these funds.

HSBC has submitted further information about the account which it has asked I treat in confidence. Our rules allow me to accept information in confidence and I'm satisfied this information is sensitive and cannot be shared with Miss S.

Based on everything I've seen, and given the arrangement Miss S has described, I'm satisfied HSBC was acting in line with the relevant terms and conditions and its legal and

regulatory obligations when it restricted Miss S's account. I accept that not having access to these funds would have been caused real difficulties to Miss S, but as I can't say HSBC was wrong to have done this this isn't something I will award compensation for. I'm not upholding the complaint and I'm not going to tell HSBC to do anything further to put things right.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 27 February 2026.

Rebecca Hardman
Ombudsman