

The complaint

A company I shall refer to as C complains HSBC UK Bank Plc unreasonably closed their business account. They'd like to be compensated for the disruption this caused.

C is represented by Mr J, who is a director.

What happened

C held accounts with HSBC. In March 2024 HSBC wrote to C to ask them to complete a review of their business. They attempted to contact C between April and June but did not receive the information they required.

In June 2024 HSBC wrote to C to say they'd be closing their accounts from 28 August. But the letter invited C to complete the review. Mr J provided some further information to HSBC regarding the ownership of structure of C and the nature of the business.

But HSBC restricted C's account at the end of August and closed it in September. Mr J complained, but HSBC responded to say they had acted in line with the terms of the account and their own internal processes.

Dissatisfied with this Mr J referred C's complaint to our service. One of our investigators looked into what had happened but didn't see that HSBC had done anything wrong.

Mr J disagreed and argued HSBC hadn't properly considered the evidence submitted to them. But this didn't change our investigator's mind, so the complaint has now 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.

Like all banks in the UK HSBC have obligations to meet when providing accounts to their customers – such as understanding the nature and ownership of a business they're providing accounts to. So, it's not unreasonable for HSBC to carry out a review into a customer's account and ask for further information to be supplied.

Here, I can see HSBC asked for information in March 2024 but did not initially receive a response. Having reviewed HSBC's contact records, I'm satisfied they made reasonable attempts to get information from C. And from the call records I'm satisfied Mr J was aware HSBC were requesting information about C.

I don't consider the information requested to be significantly arduous to provide, and HSBC gave C a reasonable amount of time to provide it before deciding to issue the closure notice. HSBC's terms say they can close an account so long as they provide at least two months' notice – and this is in line with the relevant regulations regarding payment accounts.

The closure notice invites C to send in further information, and I can see Mr J supplied information on the ownership structure of C in late July. I appreciate he doesn't believe this was considered properly by HSBC. But I can also see from the call records HSBC attempted to contact him to clarify some details around the status of two account holdings, which were held up in probate. This is also backed up by the notes recorded on the review at the time.

I'm satisfied HSBC considered the information supplied, and made reasonable attempts to clarify this with Mr J. And I've not seen anything compelling to show HSBC agreed to delay or cancel the closure of C's account. I've considered what Mr J has said about the calls he had with HSBC's complaints department – but I also note this was after the account had been closed. The contemporary notes from the time of the review satisfy me HSBC considered C's evidence appropriately, and the additional information they required wasn't received before the closure date.

As HSBC hadn't received the information requested it's not unreasonable they subsequently blocked and closed C's account, in-line with the closure notice sent in June. This is a legitimate commercial decision they are entitled to make.

HSBC released the remaining funds to C within a reasonable time. So, I'm not persuaded they need to do anything further here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 25 February 2026.

Thom Bennett
Ombudsman