

## **The complaint**

Mrs W and Mr W complain that HSBC UK Bank Plc should pay them more compensation than it has offered in respect of poor service issues.

## **What happened**

In March 2025, HSBC blocked Mr and Mrs W's account after mail sent to their registered address was returned marked 'Gone Away', following their move abroad.

Mr and Mrs W subsequently contacted HSBC and sent information with new address details, but ultimately the account wasn't unblocked until late in August 2025. During this time, Mr and Mrs W's regular direct debit payments weren't paid out of the account, resulting in adverse credit information being recorded on credit files, cancellation of a life insurance policy and arrears and charges on a credit card.

When they complained, HSBC said it acted correctly when it blocked Mr and Mrs W's account after receiving returned post from their UK address. But it agreed there had been some poor service and miscommunication around what Mr and Mrs W needed to provide to HSBC and offered them £500 compensation for the distress and inconvenience they'd been caused as a result of service failings.

Our investigator thought that HSBC's offer was fair in all the circumstances.

Mr and Mrs W disagreed with our investigator. They mainly said they felt there were material inaccuracies and omissions in the investigator's view. And that HSBC had failed to comply with the Financial Conduct Authority's Consumer Duty to act in good faith toward customers, avoid causing foreseeable harm and ensure fair outcomes are achieved.

They asked for an ombudsman review and so the complaint has come 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.

Having thought about everything I've seen and been told, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. My approach reflects the informal service we provide. I may not address every single point or question raised and I've summarised much of what Mr and Mrs W said. But it doesn't mean I haven't considered or given due weight to all the material information – it just means I've been able to reach a decision in this case without needing to refer to everything in as much detail as Mr and Mrs W.

Mr W has referred to various rules and regulations in support of his complaint. Relevant law, regulatory requirements and best industry practice are all considerations when making my decision and I've taken all this into account – which includes the Consumer Duty obligations he's specifically mentioned. And my focus is on the key issue I need to decide – whether HSBC has treated Mr and Mrs W fairly and reasonably overall by doing enough to put things right where its service fell below the expected standard.

Mr and Mrs W's complaint was prompted by HSBC blocking their account when it received returned post. But HSBC didn't make any error when it blocked Mr and Mrs W's account. As a regulated financial business, HSBC has obligations to ensure it protects its customers from financial harm. Blocking Mr and Mrs W's account when it had reason to think (correctly in the event) that they were no longer living at the registered address held on file for them was done in line with its security processes. These are designed to keep the money in customers' accounts safe so I think HSBC's actions here were fair and reasonable.

Whilst the onus was on Mr and Mrs W to notify HSBC about any address change (this is in the account terms and conditions), they hadn't done that. Mr and Mrs W have provided information showing they sent HSBC copy documents relevant to verifying their identity and their change of address. Mr and Mrs W have also provided evidence of delivery, despite HSBC not having any record of this. But HSBC's website contains information about what types of documents are accepted as valid forms of ID, including when sending documents from outside the UK. And it's since been established that the information Mr and Mrs W sent hadn't been certified in line with HSBC's verification requirements.

I am satisfied that HSBC took reasonable steps to make its requirements known and it wouldn't have been able to rely on the documentation Mr and Mrs W sent to unblock the account (even had it scanned this onto its system upon receipt).

And whilst HSBC said that when Mr W first called it might have been possible for him to update his address electronically, for the account to be unblocked it also needed to speak to Mrs W as this was a joint account. It wasn't possible for HSBC to discuss the account with her on the first call and she later failed telephone security checks.

After they complained, HSBC attempted to phone Mr and Mrs W but got no response and instead emailed providing them with a web address for Mrs W to upload her documents digitally. Although this was outside HSBC's usual procedure it was done primarily as a goodwill gesture to limit any further avoidable delay. HSBC assured Mr and Mrs W that once Mrs W's information was provided, the account details would be updated and the block removed. The fact that HSBC subsequently proposed this option in an effort to put things right for Mr and Mrs W doesn't mean this resolution should've been offered in the first instance.

Nonetheless, Mr W felt that if HSBC had been clearer that documents needed certifying, he would've done so sooner. And HSBC accepted that there were shortcomings and errors in the way it dealt with Mr and Mrs W. In particular, HSBC said some of the information provided wasn't correct during calls made to remove the block and it wasn't explained clearly enough what Mrs W needed to do.

So I've thought carefully about the impact on Mr and Mrs W of HSBC's poor service.

I appreciate that some of the consequences for Mr and Mrs W have been problematic. I sympathise and I don't doubt that HSBC's admitted poor service would've been frustrating and inconvenient for Mr and Mrs W. It doesn't however automatically mean that a larger financial payment is due as compensation. The underlying reason for what happened was the result of Mr and Mrs W failing to update their registered address on their account sooner.

And I'm mindful that it wouldn't be reasonable to expect that regular direct debit payments set up on an account would be paid whilst the account was blocked and it was Mr and Mrs W's responsibility to ensure all payments due were made on time, making alternative payment arrangements where necessary.

I haven't identified any significant delays on HSBC's part that caused any unreasonable delay. On 12 August 2025, HSBC offered to:

- contact credit reference agencies to request removal of any adverse information recorded against Mr and Mrs W regarding missed payments, from March 2025 (when Mr W first spoke to HSBC about this matter) up to 12 August.
- Send a separate 'Repair of Reputation' email for Mr and Mrs W to show their life insurance provider acknowledging that Mr and Mrs W were not to blame for the missed payments.
- Pay Mr and Mrs W £500 for distress and inconvenience.

Taking all this into account, overall I think these settlement proposals are fair and reasonable in all the circumstances. The compensation amount is in line with the amount this service would award in similar cases and matches the level of award I would make had it not already been proposed.

So I am satisfied that HSBC should take the steps set out below to put things right.

## **Putting things right**

To reflect the impact on Mr and Mrs W of its admitted poor service, HSBC should:

- contact credit reference agencies to request removal of any adverse information recorded against Mr and Mrs W regarding missed payments, from March 2025 (when Mr W first spoke to HSBC about this matter) up to 12 August 2025.
- Send a separate 'Repair of Reputation' email for Mr and Mrs W to show their life insurance provider acknowledging that Mr and Mrs W were not to blame for the missed payments.
- Pay Mr and Mrs W £500 for distress and inconvenience.

## **My final decision**

My final decision is that I uphold this complaint and direct HSBC UK Bank Plc to take the steps set out to put things right for Mr and Mrs W as it has already offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 13 February 2026.

Susan Webb  
**Ombudsman**