

The complaint

Ms V complains that HSBC UK Bank Plc (HSBC) closed her account despite her request to not do so.

What happened

Ms V held an account with HSBC who wrote to her home address in Australia in June 2023 explaining that as she hadn't used the account for over 15 years it was now frozen, preventing any transactions from being made, and that the account would be closed in around two months' time. The letter went on to explain that the funds in the account would be transferred to the UK government's Unclaimed Assets Scheme if Ms V did not take action. If Ms V wished for her account to remain open, she would need to contact HSBC who would need to check her details were up to date, including her ID and address.

Ms V contacted HSBC in July 2023 to explain that she wished for the account to remain open. The advisor she spoke to, after a lengthy conversation, explained he had removed the dormancy marker and that the account would remain open. This was however incorrect information; with further action actually being required by Ms V to keep the account open if she wanted to. The account went on to close on 4 September 2023. HSBC sent the remaining funds in the account of £48.97 to the Unclaimed Assets Scheme.

Not knowing the account was closed, Ms V's husband attempted to transfer money to her account in late September 2023 but was unable to. Ms V then received an email from HSBC confirming the account had been closed. Shortly after this Ms V called HSBC to discuss what had happened, explaining that she was going to be visiting the UK in 2026 and needed the account for this trip. Despite her requests to have the account re-opened HSBC explained that this was not possible and that she would need to apply for a new account via their website if she wanted a current account with HSBC. The advisor she spoke to explained that they were able to reclaim the £48.97 and send it to another account Ms V held but she said she would apply for a new HSBC account and raise a request for the transfer following that.

Ms V complained to HSBC who responded with its FRL dated 5 August 2024 explaining it was upholding her complaint, offering £100 compensation, but was unable to reverse the decision to close the account. Ms V remained unhappy so referred her complaint to our service. One of our Investigator's looked into it who said that they felt the £100 offered by HSBC was a fair outcome to the complaint and didn't ask HSBC to take any further action.

Because Ms V disagreed, the matter was passed to me to decide. I then sent both parties my provisional decision which set out that I had decided to uphold Mr V's complaint. For reference, here is what I said:

"There is no dispute here that when Ms V called HSBC in July 2023 she was given incorrect information that the account would remain open. So, I haven't commented on this any further and have instead focused on the impact receiving this information and HSBC's action of closing the account had on Ms V.

Ms V, due to the time difference with her living in Australia, called HSBC late in the evening in July 2023 and went on to spend a considerable amount of time on the call to ensure the account remained open. On the later call in September 2023 it is clear that Ms V was distressed that the account had been closed. So, taking her actions here into account alongside her reaction when the account was closed, I find that the account clearly was important to her.

However, I must balance this with the fact that Ms V hadn't used this account for over 15 years. And so, whilst it may have been significant to her, I can't fairly find that it was of utmost importance for her general banking needs.

HSBC's follow up letter to its FRL, sent in October 2024, explains that Ms V's account was closed in September 2023 but that it only received her complaint in July 2024. And that due to this it was unable to reinstate the account due to the length of time. This is clearly incorrect. Ms V had already been told on the call with HSBC in September 2023 that it could not reinstate the account, and a new one would have to be applied for. So, whilst HSBC have clearly made an error here in saying the account could not be reinstated due to the length of time, I don't find that this in itself has affected Ms V as it doesn't change the fact the account could not be reinstated, and she had been told this previously.

Ms V made a request for someone more senior at HSBC to support her and was never given an email address for her to send her complaint in. She's said that this created an additional burden on her as HSBC did not have an accessible complaints process. I don't find this to be the case. Whilst HSBC do not have an email address for the complaint to be sent to, the agent Ms V spoke to in September 2023 explained that she was able to raise the complaint over the phone. Ms V agreed on this call that she would make an application for a new account on the HSBC website and then would call back to raise the complaint. Ms V had been clearly told the account could not be reinstated, what she needed to do in order to get a new one, how to raise a complaint following this and been offered for the funds to be transferred to her Australian bank account; which she had refused. So, whilst she may have made a request for someone more senior to support her, I don't find that not receiving this has disadvantaged Ms V.

Ms V has said that it has not been acknowledged there is a power imbalance between her as a woman and HSBC. I appreciate that the relationship between consumers and their bank can be subjective and also emotive at times. There have been failings by HSBC, for which I intend to uphold the complaint, and which have clearly impacted her in a way which justifies compensation. But, while I am sorry if Ms V felt more vulnerable because of HSBC's error, I haven't found their actions were influenced by her being a woman, or that compensation should be greater because she is a woman and wanted the security of a UK bank account in her sole name.

HSBC explained that the £48.97 that was in the account, which was sent to the UK government's Unclaimed Assets Scheme, can be retrieved once it has received certified copies of Ms V's ID and address. I would ask that HSBC reach out to Ms V to begin this process.

In conclusion, the account being closed after having been told it wouldn't have been has clearly been distressing to Ms V; and she has demonstrated that this account held a particular significance to her. So, to resolve the complaint, I find that HSBC should award Ms V £200 in compensation. This includes the £100 already offered in its FRL."

Ms V responded providing her comments around how she didn't feel the outcome was fair nor that the amount of compensation was proportionate to HSBC's actions. However, she also explained that she would like to accept the decision and stop pursuing the matter.

HSBC responded saying it would accept the decision, but that Ms V would need to contact its customer services department to initiate the process of retrieving the funds that were left in the account when it closed.

I had, in my provisional decision, asked HSBC to reach out to Ms V which it has not said it will do. And so this is why I'm making this final decision, as I find that it is important it does.

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've decided to uphold Mr V's complaint for the same reasons I gave in my provisional decision. My findings are repeated above and form a part of my findings for this final decision.

I have found that there has been a failing here by HSBC and acknowledged that it is difficult for Ms V to contact it, due to her residency in Australia. And so, to initiate the process of retrieving the funds that were left in the account when it closed, I find that HSBC should proactively reach out to Ms V. It has communicated with her previously via email and it should do this again – arranging a call with Ms V at a time that is convenient to her if necessary.

My final decision

For the reasons above, I have decided to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 16 February 2026.

Mark Louth
Ombudsman