

## **The complaint**

Mrs and Mr P complain that HSBC UK Bank Plc ('HSBC') froze their joint accounts and withheld their funds.

## **What happened**

Mrs and Mr P had joint savings and current accounts with HSBC. In April 2025, HSBC initiated a review of Mrs and Mr P's accounts, resulting in the accounts being frozen. Whilst the review was underway, Mrs and Mr P didn't have access to the funds in their accounts.

Mrs P contacted HSBC on several occasions between April and May 2025, to enquire when the account restrictions would be lifted and to request a timescale for the review.

Mrs P was concerned as payments became due for Mrs and Mr P's joint mortgage and her credit card whilst the accounts were frozen. The mortgage and credit card account were also held with HSBC. In addition, Mrs P was worried that she couldn't pay her bills or cover essential living costs, because the funds were frozen.

Mrs P made two complaints to HSBC in May 2025 about the ongoing account block, HSBC's handling of the matter and the impact the situation was having on her. HSBC issued its final responses in June 2025. In summary, the responses said:

- The direct debit instruction for Mrs P's HSBC mortgage had been cancelled by the bank
- The reason for the cancellation was because Mrs P's HSBC accounts were restricted, so funds couldn't be sent or received
- A timescale couldn't be provided regarding when the blocks would be removed
- Mrs P would need to make payments to her HSBC accounts from other accounts in her name
- Mrs P couldn't be provided with further information regarding why the accounts were blocked or when the restrictions would be removed

Mrs and Mr P referred their complaint to our service. Mrs P explained she's a full-time carer and the situation detrimentally impacted her health and wellbeing, due to the overall distress caused by not having access to the funds.

One of our Investigators looked into things and didn't uphold the complaint. In summary, they said:

- HSBC is subject to regulatory obligations which means it can sometimes be required to restrict accounts – this was in line with the account terms and conditions

- HSBC wasn't obliged to disclose the reasons for restricting an account, but it needed to provide information to this service about its actions
- The information HSBC provided to us showed HSBC had acted fairly and in line with its regulatory obligations, when restricting Mrs and Mr P's accounts
- Whilst the lack of information about the account block would have been frustrating, HSBC wasn't obliged to share this information with Mrs P. And the cancellation of the direct debit for Mrs and Mr P's mortgage wasn't unfair
- Mrs P mentioned she was unhappy with the service received from an adviser during a call in April 2025. The adviser Mrs P spoke to during the call acted in a professional manner and hadn't done anything wrong
- Following the account block, HSBC took the decision to close Mrs and Mr P's accounts. If they wished to make a complaint about the closure of their accounts, they'd first need to complain to HSBC about the issue, as this hadn't been considered as part of their original complaint

Mrs and Mr P disagreed. Mrs P explained that she'd been informed by the police that Mrs and Mr P's accounts were being investigated in June 2025, and the investigation was concluded in July 2025. But HSBC hadn't provided any updates following this and Mrs and Mr P received cheques for the closing balances of their accounts towards the end of August 2025. Mrs P considered HSBC had caused a delay of almost two months in returning the funds in the accounts.

Mrs P further added that due to not having access to their funds, Mrs and Mr P had to borrow money from family and friends to buy food and HSBC continued to chase them for mortgage and credit card payments that were due, whilst the accounts were blocked. After the restrictions were lifted, Mrs P said the mortgage and credit card balances were paid off immediately.

Our Investigator reviewed Mrs P's comments. They didn't think this changed things and explained that Mrs and Mr P's complaint about the closure of their accounts and delay in releasing the funds would need to be investigated by HSBC first, so it could provide a response to the concerns raised.

As no agreement could be reached, the matter has been passed 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.

I'm aware Mrs and Mr P had sole accounts with HSBC, but my decision solely focuses on the restrictions placed on their joint accounts.

I recognise Mrs P is unhappy about the closure of the accounts and the length of time HSBC took to return the funds, after its review was concluded - particularly in light of the information she says she received from the police. HSBC first needs to be given an opportunity to comment on these issues before our service can investigate the concerns Mrs P has raised. So, I won't be addressing this here and I make no further comment on it.

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

HSBC has provided me with information to show why it reviewed Mrs and Mr P's accounts. Having carefully considered this, I'm satisfied that it acted in line with the account terms and

obligations it must follow. And I consider HSBC's reasons for carrying out this review were fair and reasonable.

I understand Mrs P wants to know more about why this review was carried out and was unhappy when HSBC wouldn't provide details regarding its reason for restricting the accounts, but HSBC is under no obligation to inform Mrs and Mr P, the reasons for its actions.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information HSBC has provided is information I consider should be kept confidential.

I acknowledge Mrs and Mr P were put in a difficult position when their accounts were frozen and their direct debits were cancelled. I appreciate the abrupt restriction of their accounts had significant repercussions – as Mrs P has explained about the impact on her health and finances.

I have no doubt the situation caused Mrs and Mr P distress but as I don't find that HSBC did anything wrong in reviewing Mrs and Mr P's accounts, and withholding the funds for the time it did, I see no basis in which to ask HSBC to award any compensation for the distress and inconvenience caused to them.

In summary, I realise Mrs and Mr P will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I won't be telling HSBC to do anything further.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 18 May 2026.

Khadijah Nakhuda  
**Ombudsman**