

complaint

Mr G complains HSBC UK Bank Plc unfairly closed his account and recorded a CIFAS marker against his name.

He brings this complaint with the assistance of his mother – Mrs G – but for ease, I will refer to all submissions as if made by Mr G directly.

background

HSBC contacted Mr G and invited him into a branch to discuss recent transactions on his account. Mr G was 15 years old at the time and the transactions which concerned HSBC happened over a period of approximately one month. Between mid-April 2018 and mid-May 2018, just under £35,000 had passed through Mr G's account through withdrawals and online banking.

Mr G said he knew nothing about these transactions. He had lost his card and wallet and had cancelled the card. He confirmed no one else knew his online banking details.

HSBC conducted a review of Mr G's account and decided to close it. It also recorded a CIFAS marker against his name – for retaining wrongful credit.

When Mr G complained, it rejected his complaint – so Mr G came to this service.

He told our investigator that he had sold his account to a third party. Initially, he was told he could earn some money by doing this. He had handed his card and PIN over – but then felt pressured into handing over his online banking details too. He explained he felt he could not say no and that the third party knew where he lived.

Our investigator thought HSBC was entitled to close the account – but the CIFAS marker had been placed unfairly. He thought it should be removed due to Mr G's age at the time and him not fully understanding the consequences of his actions.

HSBC didn't agree. It didn't think Mr G's age had any relevance as to whether it should place a CIFAS marker or not.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

account closure

I can't see HSBC did anything wrong in closing Mr G's account. The terms and conditions allow for it – so I won't be asking it does anymore here.

CIFAS

I've thought about what HSBC has said in its submissions to this service. In particular - that it ought to have been obvious to Mr G that selling his account details to a third party meant the account would be used for something improper.

And I've reminded myself of the test which members – including HSBC – must apply before recording such a marker. It (HSBC) needs to have relevant and rigorous evidence such that it could report the matter to the police. In other words, a reasonable suspicion. Simply saying Mr G ought to have known (even taking into account his own admission) just isn't enough.

There is no evidence to suggest Mr G was involved in the transfers into his account once he had passed his details on – and I have seen nothing from HSBC suggesting the same.

In the circumstances, I'm not persuaded HSBC satisfied the test in recording the CIFAS marker.

my final decision

My final decision is that I uphold this complaint.

HSBC UK Bank Plc must remove the CIFAS marker held against Mr G's name with immediate effect.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 November 2020.

Shazia Ahmed
ombudsman