

complaint

A, a limited company, complains that HSBC UK Bank Plc removed a payment from its account and blocked its use.

background

A contacted HSBC when it found that a debit of £4,500 had been made from its account on 6 December 2018. HSBC said the director would need to attend a branch to discuss the earlier credit it related to received on 5 December 2018. This was not possible until 23 January 2019 and the money was then returned to A. HSBC then gave A two months' notice to close the account. A said that it wanted compensation for the impact of not having access to its money as well as for inconvenience and the costs of using a consultant to deal with this.

Our investigator did not recommend that the complaint be upheld. He said that HSBC had to ensure it complied with relevant legal and regulatory requirements. It wanted to ask A about the payment. It was reasonable for it to remove the money and inhibit use of the account while it did so. And it followed the terms and conditions when it gave notice to close the account. It had initially registered a fraud marker at CIFAS, the national fraud database but this had now been removed and he could not see this had an effect on A. He did not see that A needed to employ a consultant to deal with this and all communication seemed to be with the director.

A did not agree. It said that the requirement for the director to attend a branch was completely unnecessary. It was irrelevant who brought the documents and these could have been fraudulent anyway. HSBC did not attempt to check the authenticity of the documents. A said it did not believe the funds it received were fraudulent and this could have been due to false reporting. HSBC had not provided any information to A to show what its concerns were based on. And A wanted to know what further concerns led to HSBC deciding to close its account. Without seeing these it thought that these were frivolous.

my findings

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

It's a matter for HSBC to put in place processes to ensure it complies with all its legal and regulatory requirements. We don't have a role in saying what these should be as we are not the regulator. I'm satisfied based on what I've seen that it acted in line with those processes here.

HSBC has explained to this service that when it has a query about a payment the director, in the case of a limited company, would need to attend a branch in person. This would allow the director's identification to be verified and confirmation received that the person providing the information was acting on behalf of the company. I appreciate that the director of A was abroad at the time which resulted in a delay before he could visit but I can't reasonably hold HSBC responsible for that.

I also won't be saying anything further about any checks it made and what documentation it accepted from A and why. Clearly HSBC was satisfied with what was provided and as a result released the funds.

HSBC gave A the normal notice period to close the account in line with the terms and conditions. I'm afraid it didn't have to explain that commercial decision to A. As our investigator said it has removed the CIFAS marker, which I've have expected it to as there is a high bar for reporting. And A has not said that there was any specific impact of this.

In conclusion I'm not going to be asking HSBC to do anything further as it did not make a mistake or act unreasonably. So I don't find it should to compensate A for any inconvenience caused or related costs.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 30 April 2020.

Michael Crewe
ombudsman