

complaint

A, a limited company, through its directors Ms W and Mr P, complains about the service it received from HSBC Bank plc.

background

A tried to open a business account on 12 April 2015. But due to a number of errors it took until 20 June 2015 for its directors to be able to access the account.

Ms W has complained about what she describes as the abysmal customer services received at every point of contact. She complains the bank made many mistakes and they were never given a single point of contact to deal with making the whole process extremely frustrating, difficult and time consuming. She feels she has identified many process issues and training issues.

Ms W says the effect of the delay was A was unable to pay its suppliers from its own account and there was an opportunity cost of Ms W and Mr P's time. She feels appropriate compensation would be - not the £500 offered by HSBC but - £5,000.

The adjudicator did not recommend the complaint should be upheld. In her view there was no evidence that A suffered financially as a result of the delays. And whilst she acknowledged the frustration and amount of time spent she thought the offer made by HSBC was fair and reasonable.

Ms W disagrees. She says the offer goes nowhere near to compensating her and Mr P for the opportunity cost of their time that was caused by a number of systematic errors. She says in the adjudicator's opinion letter there was no acknowledgement of the opportunity cost of her and her fellow director's time or the significant amount of distress caused by the repeated frustrations in dealing with HSBC's poorly trained staff or the completely unacceptable time frames and delays involved. She feels the opinion letter is biased in favour of HSBC as the poor service and repeated problems have been skimmed over. And as banks go out of their way to target high value customers with high opportunity costs to their time she finds it is simply not acceptable and that we don't take this into consideration when addressing compensatory offers.

my findings

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

HSBC has accepted it made a number of errors. The adjudicator provided a summary of why it took so long for the directors to be able to access an account they had requested be opened more than two months before. Neither HSBC nor A have challenged any of the facts in the summary so I won't repeat them here. But I will say that the bank isn't required to provide a single point of contact.

I am sorry Ms W feels the adjudicator's summary of events was biased in favour of the bank. She says it failed to acknowledge the opportunity cost of her and her fellow director's time and the significant amount of distress and frustrations. I sympathise with her and her fellow director. But under the rules under which I operate I can only compensate A not her or Mr P. And a company can't suffer frustration or distress. A company can suffer inconvenience but I need to be sure it is A that has been inconvenienced not Ms W or Mr P.

Equally a company cannot suffer embarrassment. So whilst I understand why the directors were embarrassed about having to explain why payments were coming from their personal accounts I can't award compensation for this. I could award compensation for damage to A's reputation. But I haven't seen any evidence that this occurred.

Ms W has said the award should reflect the fact that banks go out of their way to target high value customers with high opportunity costs. That is not the way our awards work.

HSBC offered £500 compensation to A. I think this is reasonable for the inconvenience suffered to A.

my final decision

I order HSBC Bank plc to pay A £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 30 December 2015.

Nicola Wood
ombudsman