

complaint

Mr A complains that HSBC Bank plc ("HSBC") should not have closed his account and then, unbeknown to him, shared information with other banks, through CIFAS, which meant he could not open accounts elsewhere.

our initial conclusions

The adjudicator recommended that the complaint be upheld in part. She said that although HSBC had closed Mr A's account in line with its terms and conditions, it had insufficient evidence to make the registration it then did with the fraud prevention agency (CIFAS). As this was the probable reason for Mr A being refused banking facilities by other banks, she recommended that HSBC pay him compensation of £250.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr A and HSBC have provided.

When HSBC suspected that Mr A's account was being used fraudulently it was entitled to close it, and I do not, therefore, find that it was wrong to do so. But it has agreed that it had insufficient evidence then to register the information it did about Mr A with CIFAS, and it has now agreed to remove that. Following the closure of his account, Mr A's attempts to open accounts elsewhere all failed, in all probability because of the unsubstantiated and adverse CIFAS registration made by HSBC. As Mr A was a foreign student, he then had to rely on money transfers from his family abroad, which caused him significant inconvenience over many months. And so although I do not find that HSBC was wrong to close Mr A's account, on its own admission its subsequent CIFAS registration was unjustified, and I consider that it should therefore pay Mr A £250 compensation for the distress and inconvenience that caused him.

My decision is that HSBC Bank plc should pay Mr A £250.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A either to accept or reject my decision before 30 August 2013.

June Brown

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.