

complaint

Mr K is unhappy that HSBC Bank Plc closed his account based on information from CIFAS regarding fraudulent activity on Mr K's account.

background

Mr K is unhappy that a third party bank recorded the CIFAS information on his credit file. HSBC relied on this in closing the account. Mr K says the information was incorrectly recorded. He says he was not involved in the fraud that allegedly occurred and wants his account reopened.

The adjudicator did not recommend that this complaint should be upheld. He concluded that HSBC was not at fault in closing the account, even though the third party bank has acknowledged its error in recording the CIFAS information. Mr K disagrees. He says that since the third party bank has changed its position HSBC should also review its decision. He also says the Financial Ombudsman Service should ensure this happens.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have sympathy with Mr K who was a victim of fraud which resulted in his account with HSBC being closed. I note the third party bank that recorded the CIFAS warning on Mr K's credit file is now satisfied Mr K was not involved in that fraudulent activity.

However, HSBC made its decision to close Mr K's account before the investigation into the fraudulent activity was completed. I am satisfied that HSBC was not unreasonable to have relied on the warning on Mr K's credit file in making its decision to close the account. As the adjudicator said, this was valid and accurate information at that time.

While I accept Mr K feels this service should do more to assist him, I am unable to find that HSBC can be compelled to reopen the account.

Like the adjudicator, I consider this to be a matter for HSBC to determine and it is not something this service would normally interfere with.

my final decision

My decision is that I do not uphold this complaint.

Zoe Copley
ombudsman