

complaint

Mr U complains that HSBC Bank plc unfairly closed his current account, leaving him stranded overseas and causing him great difficulty.

background

In June 2013, HSBC became aware of an entry relating to Mr U on the CIFAS database. It wrote to him to say it was closing his account and immediately suspended his card and other account facilities. Mr U was abroad at the time. He didn't know his account had been terminated until he tried to use his card at a hotel and the transaction was declined.

Mr U contested the CIFAS entry, which was the subject of a separate complaint. He said the bank's actions left him stranded without access to his money. He incurred significant telephone costs and wants the bank to compensate him for his loss, distress and inconvenience.

HSBC said it recognised Mr U was inconvenienced by its decision. But the bank said in the circumstances it was entitled to close the account immediately. It was unwilling to change its decision, or offer Mr U any compensation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I set out my provisional findings to both parties in January, asking them to let me know if they had any further comments.

I was minded to uphold Mr U's complaint, concluding HSBC had acted unfairly when it closed Mr U's account without due notice. Mr U would always have had to make alternative banking arrangements. But the lack of notice had caused him additional difficulties given his circumstances at the time. So I proposed HSBC should pay Mr U £350 in settlement of his complaint.

response to my provisional findings

HSBC accepted my proposed resolution. But Mr U felt the proposed amount didn't adequately reflect the difficulties he'd experienced due to the bank's actions. He suggested £750 would be a more accurate reflection of his costs and inconvenience.

I acknowledge what Mr U has said in his reply, and recognise the situation was distressing for him. But this is reflected in the £350 the bank has now agreed to offer. Having read and understood all Mr U has subsequently said, I still think the £350 I proposed in my provisional decision is a fair and reasonable amount of compensation, based on what happened.

my final decision

My final decision is that in full and final settlement of this complaint, HSBC Bank plc should pay Mr U £350.

Niall Taylor
ombudsman