

complaint

Ms B complains that HSBC Bank plc closed her account without giving her notice and then provided poor customer service when it was re-opened.

background

HSBC wrote to Ms B in mid 2012 to tell her that the account was overdrawn. Some of the correspondence was then returned marked 'Gone Away', there was no activity and so HSBC closed the account. After the account had been closed, Ms B's salary was paid in. HSBC used part of it to repay the debt and placed the remainder in a savings account. It did not tell Ms B that it had done this.

The adjudicator recommended that the complaint should be upheld. She concluded that the bank had re-opened Ms B's account, removed any adverse information from her credit file and refunded the amount of the debt that Ms B had paid twice. After her involvement, it had offered to pay a further £150, in addition to the £100 it had already paid, for the inconvenience it caused.

Ms B responded to say, in summary, that she felt that the bank should pay more compensation.

my findings

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

account closure

Ms B has held an account with HSBC for a number of years. During 2012 her personal circumstances changed, her account was overdrawn without agreement and items had been returned unpaid. HSBC sent her a number of letters, which were returned marked 'Gone Away'. It therefore decided to end the banking relationship and the debt was written off. However, HSBC accepts that it made no attempt to contact Ms B before it closed the account. It apologised and, after Ms B had explained her circumstances, the bank offered to re-open the account. It says that it has amended Ms B's credit file and has also paid £100 for this error and for providing incorrect information about the debt. I consider this to be fair and reasonable.

administration and service

When the account was re-opened the amount that had been written off was repaid by the goodwill payment that HSBC had paid. However, I find that HSBC had received Ms B's salary whilst the account was closed. It had taken sufficient money to repay the debt and paid the remainder into her savings account but it did not write to tell her about this. Consequently, the debt was repaid twice. I am satisfied that HSBC has now refunded this.

Ms B also had further problems with obtaining a debit card. HSBC says that it did not automatically order a card when it re-opened the account but I find that it did so as soon as Ms B wrote to ask for one and it was active within ten days of this.

I appreciate Ms B feels aggrieved at how the account has been handled, and HSBC accepts that it has made errors. However, it was also her responsibility to monitor her account and to provide HSBC with up to date contact details. I have considered the full circumstances of this complaint, and also the awards that this service has made in similar cases, and conclude that an award of a further £150 is a fair and reasonable amount for the distress and inconvenience caused.

my final decision

My final decision is that I uphold this complaint. In full and final settlement, I order HSBC Bank plc to pay Ms B a further £150.

Karen Wharton
ombudsman