

complaint

Mr B complains that HSBC Bank Plc failed to upgrade his account when he asked it to do so. He also says that HSBC carried out searches on his credit file which have affected his ability to obtain credit. He wants HSBC to remove the searches and pay him compensation.

background

Mr B contacted HSBC in July 2015 to apply to upgrade his bank account.

He contacted HSBC again in February 2016. He complained that the upgrade hadn't been actioned, and he was unhappy with searches that had been made.

HSBC apologised for not upgrading his account. It refunded interest paid on his account, and offered £50 compensation as a gesture of goodwill. But it said that it had been correct to carry out the searches, as Mr B had applied for a new product. Mr B would have been told this when he applied for the upgrade. And Mr B's application was referred for a Credit Industry Fraud Avoidance System (CIFAS) validation check before a final decision could be given to him.

Mr B did not accept the compensation offered and brought his complaint to this service.

Our adjudicator said:

- She had listened to a recording of the call when Mr B requested an upgrade. HSBC had told him that the application would be credit scored and that checks – including searches with credit reference agencies and fraud prevention agencies – would be made. Mr B had accepted this.
- When Mr B's application was submitted it was referred for further checks because of information that had already been recorded with CIFAS.
- As a result of this HSBC had to carry out a full check to make sure that a genuine application was made and to protect Mr B from fraud.
- Although Mr B was a longstanding customer of HSBC it had an obligation to perform the CIFAS check as he was applying for a new product;
- HSBC hadn't placed any notes on the fraud prevention agency report. So no adverse information had been recorded by HSBC.

The adjudicator didn't feel that HSBC had made an error in carrying out the checks it did. But she did agree that there were some delays. She said that HSBC's offer of £50 was still available, and she thought this was fair in the circumstances.

Mr B does not accept the adjudicator's conclusions. He has asked for his complaint to be considered by an ombudsman.

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 have listened to the call that Mr B made to HSBC when he applied to upgrade his account. I agree that he was told that his application was subject to credit scoring, that checks would be made with credit reference agencies and a search recorded. He was also told that a

search would be made with a fraud prevention agency. Mr B agreed to go ahead with his application on this basis. So I'm not persuaded that HSBC made an error when it carried out the checks.

I also see from the evidence provided to me that Mr B's application was referred for further checks because of information that had already been recorded with CIFAS. I agree with the adjudicator that it was correct for HSBC to carry out this check in the circumstances.

HSBC has accepted that it made an error in not upgrading Mr B's account after the checks were completed. It has refunded interest paid at a higher level on his old account. And it offered Mr B £50 compensation for his inconvenience.

I appreciate that Mr B is not happy with the compensation offered. But, in the circumstances, I find that it is fair and reasonable. So I do not require HSBC to do anything further.

my final decision

My decision is that I do not uphold this complaint. I leave it to Mr B to decide whether he wishes to now accept the £50 compensation that HSBC Bank plc has offered to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 June 2016.

Alison Cribbs
ombudsman