

The complaint

Mr T complains that HSBC UK Bank Plc closed his account and then wouldn't investigate a missing credit for £260.88.

What happened

Mr T had an account with HSBC. He says that a friend lost his bank card and transferred some money into his account. Following this, the bank suspended his account, completed an investigation, and then closed his account without any explanation. He says he received a cheque for £280.28 but £260.88 was removed from his account and this hasn't been refunded. He says he has asked several times for this amount to be investigated but HSBC has refused.

HSBC said that the funds Mr T was referring to were returned to the sender after it received a notification these were received fraudulently. It said Mr T had confirmed he had received the cheque for the closing balance on his account and this had been cashed. It also confirmed that a Universal Credit payment received after the account had been closed had been returned.

Our investigator didn't uphold this complaint. She said that the missing money Mr T has referred to was returned to the sender. She said that having listened to the calls and from the information provided by HSBC it had explained this to Mr T.

Mr T did not accept our investigator's view. He said that the view confirmed the amount of £260.88 hadn't been received by him and he had provided evidence that the amount left his account and wasn't returned. He also said he hadn't been given any reason why his account was closed after being a HSBC customer for over three years.

Our investigator responded to Mr T's comments. She reiterated that the amount of £260.88 was returned as HSBC received notification it was a fraudulent transaction. Regarding the account closure she said that a bank can close an account at any time with or without warning and the terms and conditions state that it doesn't need to disclose the reasons behind a decision for closure.

Mr T wasn't satisfied with our investigator's response as he still hadn't received the money he believes he is owed. As a resolution hasn't been agreed, this case has been passed to me, an ombudsman to issue a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr T's main complaint is about the £260.88 that he believes HSBC owe him. He has also questioned why his account was closed. While the account closure wasn't part of Mr T's complaint to HSBC, as he has also raised this during this investigation, we have asked HSBC about this. It has explained that it informed Mr T of its decision to close his account on

24 March 2023 and told him the action he needed to take. While I appreciate this was upsetting for Mr T the account terms and conditions allow for accounts to be closed without notice and based on the information provided in this case, I do not find I can say that HSBC did anything wrong by taking this action.

Regarding the money Mr T believes is missing from his account, I can see that an amount of £260.88 was debited from his account on 13 February 2023. The entry on his statement is 'returned funds'. HSBC has provided evidence that it received a notification of a fraudulent transfer of money to Mr T for an amount of £480. This amount had been transferred out of Mr T's account and so the remaining funds available were then returned. This was the amount of £260.88. Given the notification HSBC received, I cannot say it did anything wrong by returning this money.

Mr T has been challenging the payment of £260.88 and said HSBC hasn't investigated this issue. However, I can see that HSBC has told Mr T that this money has been returned to the sender following the notification that the money was received fraudulently. Therefore, I find it did provide Mr T with an explanation of what had happened to the money.

HSBC sent Mr T a cheque for the closing balance on his account and Mr T has confirmed he has received this and the cheque has been cashed. HSBC also confirmed that a Universal Credit payment received into the account after it closed was returned. Based on this I do not find that HSBC has done anything wrong and I do not require it to take any further action in resolution of this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 February 2024.

Jane Archer
Ombudsman