

The complaint

Mrs M complains HSBC UK Bank Plc blocked her account.

What happened

Mrs M's husband sadly passed away. Mrs M then realised she couldn't access her account, and her daughter raised this with HSBC.

HSBC allowed Mrs M access her account again and spoke to Mrs M about this. HSBC said it had placed an inhibit on Mrs M's account instead of the late Mr M's. HSBC offered Mrs M £250 to compensate for the distress and inconvenience she was caused.

Mrs M brought her complaint to this service, represented by her daughter. An investigator looked into things but didn't think the complaint should be upheld.

The investigator said HSBC made a mistake and it had admitted the mistake. And, even though this had come at a distressing time for Mrs M, the investigator felt the £250 HSBC had already offered was enough to compensate for the error.

Mrs M's daughter disagreed. Mrs M's daughter said HSBC had incorrectly stated the date of her father's passing and wanted a new final response as the original was full of inaccuracies.

Mrs M's daughter couldn't understand why the inhibit was placed on Mrs M's account as there was no joint account. And Mrs M's daughter felt the offer of compensation from HSBC was a standard payment.

The complaint was passed to me to decide things.

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.

It's very clear HSBC made an error with Mrs M's account. There was no reason for HSBC to inhibit Mrs M's account, it did this by mistake. I think this was human error, so I don't think HSBC can give a full explanation of what happened and why someone made a mistake.

I don't think HSBC believed Mrs M had passed away, or marked her as such on its systems. I think HSBC made a mistake and inhibited Mrs M's account instead of the late Mr M's.

This inhibit stopped Mrs M from using her account, and this will have been distressing and inconvenient. And it came at an already distressing time for Mrs M.

Mrs M hasn't made submissions to this service about the impact her blocked account had on her. Mrs M's daughter has asked for explanations and further information, but I have to be mindful this is Mrs M's complaint, not her daughter's.

Mrs M's account was inhibited for around a week, and I haven't seen anything to suggest regular payments went unpaid and caused further loss.

Mrs M's daughter would like HSBC to send a new final response. I don't think this is a fair thing to ask, if Mrs M is unhappy with a final response, then she has rights to bring her complaint to this service and has done so.

I agree the final response has inaccuracies. HSBC has said Mrs M's daughter informed it of her father's passing the day HSBC inhibited Mrs M's account, and this isn't right, Mrs M's daughter had spoken to HSBC much earlier.

But I don't think a new final response would correct the inaccuracies of the original one. And my role is to determine whether HSBC has made an error and, if it has, what a fair resolution is, and this could differ from HSBC's final response.

I think HSBC made a mistake in inhibiting Mrs M's account. And I think HSBC made factual errors in its final response. Looking at the impact this had on Mrs M, I think HSBC's offer of £250 is fair, in the circumstances, to compensate her.

Mrs M's daughter says a payment of £250 is a standard payment, but I disagree. Our awards look to compensate for the impact, not punish a business. And awards begin much more modestly than the £250 HSBC has offered Mrs M.

My final decision

My final decision is I uphold this complaint and HSBC UK Bank Plc should pay Mrs M £250 to compensate for blocking her account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 15 May 2024.

Chris Russ
Ombudsman