

## **The complaint**

B, a company, complains about the service it received from HSBC UK Bank Plc.

B is represented in this complaint by one of its directors, Mr W.

## **What happened**

Mr W has referred to several areas of complaint, some of which have been resolved. I've taken into account everything that Mr W has said, and all the information provided, but I'll only refer specifically to the main points which appear to remain outstanding.

### *Safeguarding review and resulting restrictions on account.*

In the spring of 2020 HSBC asked B to complete a form as part of a safeguarding check. Mr W wasn't a director of B at that stage, but held a power of attorney for one of the company's directors. He says the form was badly worded, and there was no scope for a third party, such as someone holding a power of attorney, to complete it on behalf of the owner of the business. When he eventually managed to complete the form, he was told there was an error, but not what it was. It later transpired that the problem was that the information he'd provided about the ownership of B didn't match that registered at Companies House.

Mr W says that after that issue was resolved, he was told in September 2021 that HSBC had everything it needed. But it then asked B to complete another form and said that B's account would be closed if the review wasn't completed. Mr W says that the staff he spoke to were unhelpful, and nobody was willing to call him back.

HSBC then wrote to B on 13 October 2021 to say that access to its account had been withdrawn. On 2 November 2021 Mr and Mrs W both spoke to HSBC and the account was unblocked and more time was given for the safeguarding review to be completed.

### *Access to Business Internet Banking*

Mr W's wife, Mrs W, is a director of B and was for a time the sole signatory for B's account. HSBC's records show that in a phone call at the beginning of November 2021 it told Mr W that B's mandate would need to be updated if he was to be listed on the account. A week later, Mr W was appointed as a director of B, and he was added as a signatory to B's account the following month.

In November 2022 B needed to increase the daily payments limit on its account to enable it to pay a large bill. HSBC sent B an internet banking registration form, with the requested new daily payments limit pre-printed. Within a few days of completing the form, Mr W discovered that he couldn't access B's internet banking. He visited a branch of HSBC to make the transfer and was told that in order to have his access to internet banking restored, he'd need to become the primary user for the account. This was arranged after Mr W completed another form.

Mr W says HSBC told him he'd filled in a form to change the primary user of B's account.

When he disputed this and asked for a copy, HSBC sent him a link to a form to register for internet banking.

### *Service*

Mr W says that HSBC's communication was generally poor – and he says the service he received from overseas call centres was particularly unsatisfactory. Mr W says he spent many hours on the phone to HSBC either on hold or talking to people who were unable or unwilling to help.

Mr W also says that HSBC took several months to issue a debit card for B's account. He says he spoke about it to a member of staff at a branch of HSBC immediately after the previous owner of the business died in 2021, but they were "hopeless". In the end, another member of HSBC's staff sorted it out in 24 hours and the card was received. Mr W says the delay meant that the directors of B were unable to buy furniture for rental property which B owned. He also says that B didn't have an account available to receive deposit and rent payments, so B lost out on a significant amount of rent.

In its final response to B's complaint, HSBC said it was disappointed in the level of service that B had received and apologised. It paid £500 into B's bank account in recognition of what it described as its "*failure to deliver the highest possible standards of customer service*".

### *My provisional findings*

After considering all the evidence, I issued a provisional decision on this complaint to B and to HSBC on 17 January 2024. I said:

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

*Mr W has provided detailed submissions to this service regarding B's complaint. In reaching my decision I've taken into account everything that he's said. But I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.*

### *The safeguarding review*

*I can understand that Mr and Mrs W, as directors of B, are frustrated about the way the safeguarding review form was worded, and the inconvenience of having had to complete it twice. But I'm satisfied that HSBC clearly stated when it required the form to be completed by, and it sent several reminders to B, warning it that B's account would be closed if the review wasn't completed by the deadline. I acknowledge that Mr W says he was told in September 2021 that HSBC had all the necessary information. But it then transpired that it needed further information. While I accept that ideally HSBC wouldn't have told Mr W that it had everything it needed and then rowed back from that, I don't consider it unreasonable to have asked for further information when it realised that it needed it.*

*I don't find that I can fairly hold HSBC responsible for the fact that B lost access to its accounts for around three weeks. B didn't complete the review by the deadline. Following contact from Mr and Mrs W HSBC removed the restriction, restarted the safeguarding review and extended the deadline for completing the review. I consider that to have been reasonable.*

## *Access to Business Internet Banking*

*I've seen a copy of the Business Internet Banking form that B completed in November 2022. Section 1 of the application included a paragraph about the role of the primary user. It started "The Primary User is the person nominated by the business to have full access to all the functions within the Business Internet Banking service." Details of the primary user were given as Mrs W.*

*In the "Signatories" section of the form there were a few bullet points about signature on behalf of a limited company. One of these said: "the person named in Section 3 will act as the Primary User, and will control access to your accounts via Business Internet Banking and act as the principal contact for the service..."*

*The person named in Section 3 was Mrs W, and she signed the form under the heading "Primary user signature". She also signed the form as signatory to the account, in line with the mandate.*

*I think it was reasonably clear from the wording of the form that the person specified as the primary user would control B's internet banking. The person who B specified as primary user was Mrs W. It's true that after that, in order for Mr W to become the primary user B had to complete a separate form, and that hadn't been necessary when Mrs W became the primary user. But I don't consider that to be inconsistent. The form that B completed when it wished to increase the daily payment limit on the account included a section about the primary user. So no separate form was necessary. When Mr W subsequently applied to be primary user, no other changes were made, so a specific form for change of primary user was used.*

*I acknowledge that HSBC referred to B having completed a "Replace Primary User" form when Mrs W became primary user. Mr W has objected to the fact that HSBC hasn't provided that form. But although I accept that HSBC's description of the form may have been confusing, I'm satisfied that HSBC made it sufficiently clear that B was being asked to specify who would be primary user in the Business Internet Banking Application form which B completed in November 2022. And the person who B specified was Mrs W, not Mr W.*

*Taking everything into account, I don't find that HSBC did anything wrong by changing the primary user to Mrs W. And once HSBC became aware that Mr W was unhappy about the change, he was reinstated as primary user reasonably promptly.*

## *Service*

*If there was a delay in letting out B's rental property, I think it unlikely, on balance, that any delay in issuing a debit card was the sole cause. And although Mr W has referred to HSBC having been aware that B needed a debit card and says that it did nothing, I haven't seen any evidence that B had actually applied for a debit card. Further, I think it unlikely, on balance, that a debit card would have been B's only way of making purchases for its rental property. And as I don't consider that HSBC was at fault in suspending B's account, I can't hold it responsible if B was unable to make purchases by bank transfer during the period when the account was suspended. So taking everything into account, I can't require HSBC to compensate B for lost rent.*

*HSBC has acknowledged that its service wasn't always up to standard. It's apologised for this and has credited B's account with £500. I consider that to be fair to reflect the inconvenience that B experienced. But I don't find that HSBC was responsible for any financial loss to B. And I can't fairly require HSBC to do more to put things right.*

*Finally, Mr W is dissatisfied with the way HSBC has dealt with B's complaint. But as the investigator explained, our rules only allow us to consider complaints about regulated activities. Complaint handling isn't a regulated activity, so it isn't something we have the power to investigate.*

*My provisional decision*

*My provisional decision is that the compensation that HSBC UK Bank PLC has already paid to B is fair. So I don't intend to ask it to do anything more to settle this complaint."*

*Further submissions*

HSBC has told us it has nothing further to add. But Mr W didn't accept my provisional decision. He has resubmitted his response to the investigator's view, and has sent in detailed comments on my provisional decision, reiterating points that he'd made previously. He's also asked for answers to a number of questions.

### **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.

I would like to start by confirming that I've read and considered all evidence and comments provided by both parties to the complaint.

It's clear that Mr W has very strong feelings about the bank's actions. He's provided detailed submissions to support the complaint, which I've read and considered in their entirety. I'm aware that Mr W feels that there are questions which he considers needed to be answered to his satisfaction.

The Financial Ombudsman Service is independent of complainants and the businesses they complain about. This means that we don't act for either party, take instructions from them or allow either party to direct the course of our investigations. Were we to do so, it would compromise our independence and impartiality.

While we will take into account the submissions from both parties, ultimately it's up to us to determine what evidence we need in order to investigate a complaint and reach a decision. Further, the purpose of my decision is not to address every point raised in detail, but to set out my conclusions and reasons for reaching them.

Having considered all the submissions, I see no reason to depart from the conclusions I reached in my provisional decision. I remain of the view that the settlement set out in my provisional decision represents a fair and reasonable outcome to this complaint. But there's one point that I'd like to comment briefly on further.

HSBC has no record of having told Mr W that it had all the information that it needed for the safeguarding review in September 2021, as he says it did. I can't be sure what HSBC said to Mr W, but my view remains that even if it did tell him it had everything it needed, this wouldn't have meant that it was wrong or unreasonable of it to ask for further information when it subsequently decided that it was, in fact, needed.

It looks as if the need for some of the further information may have arisen when HSBC was notified in or around September 2021 that a director and majority shareholder of B had recently died. That meant that the power of attorney that Mr W had for the late director was no longer valid. And it would necessarily have meant that significant changes would have been needed to the information that had previously been provided as part of the safeguarding review.

Once the suspension was lifted from B's account and the review restarted in November 2021, HSBC asked for further details of B's business organisation and activities. I realise that Mr W is frustrated that in the course of the safeguarding review, B had to provide information that he says HSBC already had. But HSBC had a responsibility to ensure that it had all the information it needed to fulfil its regulatory obligations. And I don't consider that it was unreasonable of it to ask B to provide further information or clarification within the context of the safeguarding review, even if that meant resubmitting some information that had already been provided to HSBC.

Having considered all the evidence and submissions again, my view remains that I can't fairly require HSBC to pay B further compensation for the service it received. And as I'm not satisfied that HSBC's actions caused B any financial loss, I can't require it to take any other action.

### **My final decision**

My final decision is that the compensation that HSBC UK Bank PLC has already paid to B is fair. So I don't require it to do anything more to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 19 March 2024.

Juliet Collins  
**Ombudsman**