

The complaint

Mr M complains that HSBC UK Bank Plc (HSBC) refused access to his account. He isn't happy with the £100 compensation already paid and the additional £150 offered. He would like £10,900 compensation.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- I appreciate Mr M's frustration at not being able to access funds in his account at the time he wanted to do so. This was due to a gone away marker placed on the account due to returned correspondence. It seems when Mr M changed his address HSBC didn't update his correspondence address. This automatically led to a block being placed on the account which is HSBC's policy in order to safeguard customer's accounts and personal details. Such blocks are there to protect customers and the bank and it's not for us to tell banks what processes to use. However, the initial mistake was HSBC's in not properly updating the account details.
- Whilst HSBC removed the gone away marker on the account, despite reassuring Mr M in a lengthy phone call that I have listened to, that it could remove the block on the account at the same time it couldn't as Mr M's identification and address details were out of date. As a result, Mr M had to go into a branch to update these. HSBC also failed to raise a complaint at this point which it should have done so.
- In its final response letter HSBC apologised for the inconvenience caused explaining it had procedures in place it had to follow. It did acknowledge it should have raised a complaint when Mr M made his first phone call and said it would raise this with the relevant manager. At this point it paid £100 compensation into Mr M's account. I think its response was reasonable. Blocks are put on accounts to protect customers and the bank which unfortunately can cause some inconvenience. However, a complaint should have been raised at that point.
- I do appreciate the frustration caused to Mr M – the block on the account was due to a mistake by HSBC, the call handler should but didn't raise a complaint necessitating further contact from Mr M who then had to visit a branch to confirm his identification. That would have caused some frustration and inconvenience. However, I understand it Mr M was able to gain access to his funds the following day.
- HSBC has increased its compensation offer to a total of £250 and I think this is fair. I can't agree to Mr M's request for £10,900. He hasn't for example, shown he has

suffered any actual significant financial loss of this scale that I could consider. And whilst he has referred to 'blackmail' in not being able to access his funds and having to go into a branch to do so I don't accept this. I think HSBC made a genuine mistake in not updating his details, this led to an automatic block on his account which is a reasonable security measure for HSBC to have in place, as is its need to confirm identification details. It's unfortunate Mr M needed to go into a branch to resolve this but I don't agree that constitutes 'blackmail'. However clearly Mr M was put to some inconvenience with a branch visit, some lengthy phone calls, and a delay in accessing his funds. Taking all of this into account I think the increased offer of fair.

My final decision

My final decision is that HSBC has made a fair offer

In full and final settlement HSBC Bank UK Plc should pay Mr M an additional £150 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 May 2024.

Bridget Makins
Ombudsman