

## **The complaint**

Miss H complains that HSBC UK Bank Plc unreasonably closed her account and didn't allow her to appeal against this decision.

## **What happened**

Miss H held an account with First Direct, which is a trading name of HSBC. But in December 2023 she received a message to say that they were unable to provide her with banking facilities anymore, and that her account would close in 60 days' time.

Unhappy with this Miss H complained to First Direct, asking if the closure was related to a complaint she had made to our service. The bank responded to say that they were satisfied that the closure was in line with the terms of the account. They did not offer up any further explanation, other than to say that the decision wasn't a result of the complaint to our service. But they offered £30 for confusion caused in delivering the closure notice.

Not satisfied with this Miss H referred her complaint to our service. But our investigator didn't think that First Direct needed to do anything further. Miss H disagreed, saying she didn't think she'd breached the terms of the account and found it too much of a coincidence that the account was closed after she referred a complaint to our service.

As no agreement could be reached the complaint has been passed to me to decide.

## **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 appreciate Miss H has raised several complaints about how First Direct have handled her account – so for clarity in this decision I am only considering their decision to close her accounts.

Banks, like First Direct, have a broad commercial discretion as to who they provide accounts to. It isn't the role of our service to decide who they should, or should not, provide accounts to, and on what basis. Our role is to consider whether they have treated their customers fairly and reasonably.

The terms of the account outline the relationship between the parties – and in this case they say that First Direct may choose to close an account by providing at least two months' notice. This is in line with the relevant regulations regarding payment accounts, and common industry practice.

I can see that First Direct sent the notice to close on 21 December 2023, saying the account would close on 21 February 2024. So, I'm satisfied that the required notice was given. And I can see Miss H complained the same day, which tells me the notice was received and understood.

There's no specific obligation on First Direct to explain to Miss H why they've decided to close her account. And in this case, they've declined to discuss it any further than saying it wasn't a result of her referring a separate complaint to our service.

The rules of the Financial Ombudsman Service allow us to treat certain evidence in confidence if the ombudsman considers it appropriate to do so. For example, if the information is commercially sensitive, or contains information about third parties. First Direct have supplied this information to our service and having reviewed it I'm persuaded it should remain confidential. So, I'm sorry to Miss H that I won't be detailing it in full here.

But having considered First Direct's reasoning, I'm satisfied that the closure decision wasn't irrational or unreasonable. I've seen nothing to suggest that it was because of Miss H referring her complaint to our service – something she is perfectly entitled to do. But I'm persuaded the closure was a legitimate commercial decision that First Direct are entitled to make and was done in line with the terms of the account. I don't see this as unreasonable.

I appreciate this will be disappointing to Miss H, and there's always likely to be a degree of upset and disruption caused when a banking relationship comes to an end. But I've seen nothing to suggest First Direct have been unreasonable or unfair in closing her account and declining to discuss the reasoning.

First Direct have paid Miss H £30 for any confusion caused by the initial closure notice. Overall, I'm satisfied that this is more than fair, and as such I'm not asking them to do anything further.

### **My final decision**

My final decision is that HSBC UK Bank Plc do not need to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 25 October 2024.

Thom Bennett  
**Ombudsman**