

The complaint

Mr D complains that HSBC UK Bank Plc ('HSBC') closed some of his accounts and didn't give him a reason why. He also wants access to all the personal data it holds about him.

What happened

Mr D had a number of accounts with HSBC for many years.

In June 2023 HSBC wrote to Mr D to let him know that it had decided to close most of his accounts and gave him 60 days' notice before doing so. HSBC said it had carried out a review and would no longer be able to provide certain banking products and services to him. The accounts were closed on 18 August 2023 and a cheque for the balance in the accounts (£13.21) was sent to Mr D thereafter.

Mr D made a request for a copy of his personal data (Data subject access request-DSAR) on 8 August 2023. He later complained and said HSBC was taking a long time to respond to his DSAR.

HSBC responded to the complaint on 5 September 2023. It said its decision to close the accounts was in line with its terms and conditions and that its decision remained. It said it had mistakenly told Mr D that his fixed rate savings account would close when in fact it would remain open until it matures. It said it raised Mr D's DSAR with the relevant team on 24 August 2023.

Mr D responded the following day to say that he hadn't received the cheque for the balance which was in his accounts. He said he wanted HSBC to explain why it decided to close some of his accounts.

HSBC told us it responded to Mr D's DSAR on 25 September 2023 but Mr D told us he wasn't happy with the documents provided. He said they didn't help resolve his complaint as there was nothing regarding HSBC's internal investigations which led to the closure of some of his accounts. He added that there was also nothing regarding accounts that Mr D had abroad which were also closed.

Mr D decided to bring his complaint to us. He said that his reputation had been impacted by the closures and that they also led to him having to close his foreign bank accounts. Mr D said he wanted access to his personal data.

While the complaint was with us, HSBC made an offer of £100 to compensate Mr D for the delays in dealing with his DSAR.

One of our investigators reviewed the complaint but she didn't think it should be upheld, other than in respect of the delays in dealing with the DSAR. Our investigator said HSBC is under no obligation to tell Mr D why it had decided to close his accounts. She also felt that HSBC dealt with the DSAR fairly and reasonably and that confidential information would not have been disclosed to Mr D. Our investigator also said she couldn't look into the closure of Mr D's accounts abroad as they are held by an international branch of HSBC which falls outside our jurisdiction.

Mr D said he didn't expect us to look into anything that is outside our jurisdiction but wanted to know what information had been shared with his other bank. He also didn't agree with our investigator overall and asked for an ombudsman's decision. Mr D said he was entitled to see the information/personal data HSBC has about him especially bearing in mind that our organisation had been given access to it. He didn't feel the £100 offer of compensation was fair for the type of damage he suffered as a loyal HSBC customer.

Our investigator didn't change her view and explained that our rules allow us to receive information in confidence.

The matter was then 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.

As our investigator said, our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons- for example, if it contains security information, or commercially sensitive information. Some of the information HSBC has provided is information that we considered should be kept confidential. This means that I haven't been able to share a lot of detail with Mr D, but I'd like to reassure him that I have considered everything.

The account closures

Turning to HSBC's decision to close the accounts, it might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this. As our investigator said, HSBC has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. HSBC may need to review accounts to comply with these responsibilities.

I've also considered the basis for HSBC's review, which I find was legitimate and in line with its legal and regulatory obligations. I should also add that I don't think HSBC is under any obligation to disclose to its customers what triggers a review of their accounts. For this reason, I can't say that it's done anything wrong by not giving Mr D this information. And it wouldn't be appropriate for me to require it to do so.

HSBC's terms and conditions say that it can close an account by giving notice or with immediate effect in certain circumstances.

Having looked at all the evidence and the terms and conditions I'm satisfied that HSBC was acting fairly and reasonably when it decided to close the accounts by giving Mr D 60 days' notice. HSBC has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that HSBC's decision around closing Mr D's accounts was unfair.

Furthermore, it's generally for financial institutions to decide whether or not they want to provide or continue to provide banking facilities to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there is a very good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

The DSAR

Moving on to the DSAR, I should explain that it's not the role of our service to decide whether or not a business has breached data protection laws- that's the role of the Information Commissioner's Office (ICO). My role is to consider whether HSBC acted fairly and reasonably in responding to Mr D's DSAR request. It isn't the role of this service to comment on the content of a DSAR. If Mr D is unhappy with the information provided he should contact the ICO.

Mr D made a DSAR to HSBC on 8 August 2023 which HSBC accepts it didn't respond to until the end of September 2023. My understanding is that, under the relevant regulations, DSAR requests should be responded to without undue delay and at the latest within one month of receiving the request. HSBC agrees that it didn't adhere to this time limit. It has offered £100 compensation to Mr D for this delay. In the circumstances, I think this is fair and reasonable bearing in mind that the deadline was missed by a few weeks. I've also borne in mind that Mr D's main concern isn't so much about the delay but about the content of HSBC's response.

Mr D is unhappy that the DSAR response he received from HSBC didn't include documents he would have wanted to see such as HSBC's internal investigations and information he believes HSBC shared with his foreign bank. He added that the information provided to him does not answer his question as to why his account was closed.

As I said above, it's not within my remit to look into the content of the DSAR response. But in terms of HSBC not sharing certain information or documentation with Mr D in general, what I will say is that, as I said above, I don't think HSBC is under any obligation to tell a customer what triggers a review or what leads to a closure of their account. Furthermore, banks may have documents which are confidential for a number of reasons, some of which I mentioned above. HSBC said that it wasn't able to share any information which related to its investigation and the account closure due to it being sensitive. I think this is fair and reasonable in the circumstances. As our investigator said this information will have been

shared with us and though I appreciate Mr D may find this frustrating I hope it gives him some reassurance that someone independent has also considered it.

Overall, I appreciate that Mr D would have been frustrated and also inconvenienced by HSBC's decision to close his accounts. And it must have been upsetting not to be told exactly why. So I appreciate he will be disappointed with my decision. But for the reasons I provided above, I think HSBC's actions were, aside from the delay in dealing with the DSAR, fair and reasonable.

My final decision

For the reasons above, I have decided to uphold this complaint. HSBC UK Bank Plc must pay Mr D £100 for the distress and inconvenience he was caused by the delays.

HSBC UK Bank Plc must pay the compensation within 28 days of the date on which we tell it Mr D accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If HSBC UK Bank Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 August 2024.

Anastasia Serdari
Ombudsman