

The complaint

Ms C complains that HSBC Bank Plc blocked her account with it. As a result, she was unable to complete a house purchase when she had planned to do so.

What happened

In May 2024 Ms C was in the process of buying a house. On 15 May 2024 a relative transferred £130,000 into her account with HSBC. Ms C had planned to transfer that money, along with some of her own, to her solicitor the following day, with a view to completing the purchase on 22 May.

Ms C was unable to make the transfer to her solicitor. The bank told that her account had been blocked while it carried out a review. It was unable to provide an exact timeframe for the review and did not tell Ms C what had prompted it.

Ms C says that she was abroad at the time and that she had to return to the UK to visit the bank in order to sort things out.

In the event, HSBC completed its review and lifted restrictions on the account on 23 May 2024. Completion of the house purchase took place a few days later.

When Ms C complained, HSBC said that it was entitled to review accounts at any time and without prior notice, and that there were no set timescales for doing so. It was sorry for any inconvenience caused, but did not consider that it had acted unfairly.

Ms C referred the matter to this service, where one of our investigators considered what had happened. She did not recommend that the complaint be upheld. She agreed with the bank that it could block the account and that it had acted fairly in doing so.

Ms C asked that an ombudsman review the case and issue a final 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.

Banks can in some cases review customers' accounts, and indeed may be under legal or regulatory obligations to do so. While a review is carried out, a bank may consider it necessary to restrict or suspend an account, and again may be under a duty to do so. The account terms in this case allowed for both.

HSBC has explained to this service why it blocked Ms C's account. It has asked that its reasons be kept confidential. This service can accept evidence in confidence, and I am satisfied it is appropriate to do so here. I am however satisfied that it was reasonable of HSBC to review the account in this case and to place a block on it while it did so.

I have however also considered how HSBC conducted its review once it had made the decision to block the account. I appreciate of course that the timing meant that Ms C could

not complete her house purchase on the day she had planned. I believe however that the review was completed within a reasonable timeframe and that there were no unnecessary or unreasonable delays in doing so.

I understand how stressful it must have been for Ms C to have no access to the money she needed to complete her property purchase, but I do not believe that HSBC acted unfairly. I cannot therefore make an award in her favour.

My final decision

For these reasons, my final decision is that I do not uphold Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 14 January 2025.

Mike Ingram
Ombudsman