

Ombudsman Decision**CIFO Reference Number: 24-000037****Complainant: Mrs A****Respondent: HSBC Bank Plc, Jersey Branch****Complaint**

Mrs A is represented in this complaint by her eldest son. Mrs A complains that her account with HSBC Bank Plc, Jersey Branch ("HSBC") cancelled cheques she had made out to her younger son and subsequently blocked her account. In her complaint she says that HSBC prevented access to her money for an unacceptable length of time and her complaints and requests to the bank to close her account, and transfer money to a UK bank, had been ignored.

Background

Mrs A had two accounts with HSBC, a savings account, and a current account. After moving to the UK to live with her eldest son and following the deposit of proceeds from the sale of her house in Jersey into her savings account, two cheques for £85,000 and £600,000 written out to her youngest son were stopped by the bank in March 2023. Subsequently, in April, Mrs A went to her local UK branch with her youngest son to enquire why the cheques had been returned unpaid. After this meeting, HSBC raised a concern internally regarding who had influence over, and control of, Mrs A's financial affairs. As a result, in order to protect her assets, HSBC blocked her accounts on 13 June 2023. Mrs A complained to the bank and requested her account be closed and her money sent to a UK bank. HSBC did not action this and requested a meeting with Mrs A on her own without either son present.

¹ Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

In October 2023, Mrs A met with HSBC in its Jersey branch at which local police were present. At this meeting, the involvement of her sons in her financial affairs was queried. The police then concluded its investigation in January 2024, deciding not to take further action. On the advice of HSBC, in order to facilitate unblocking her accounts, Mrs A's eldest son arranged for a Limited Power of Attorney ("LPoA") to be registered in the Royal Court in Jersey. This was submitted to HSBC in May 2024 and HSBC transferred her money to her local HSBC branch in early June.

The CIFO Adjudicator confirmed to Mrs A that as the complainant, only the impact of events over 2023 into 2024 on her personally would be considered and that those experienced by her eldest son, or any other party, would not. In her recommendation the CIFO Adjudicator said:

Reviewing all the documentation, I am satisfied that in the circumstances, HSBC correctly followed its internal procedures in order to protect your money as its customer. As part of these procedures, HSBC then conducted a review of the account activity across both accounts, as I would have expected it to do, in order to investigate the concern that had been raised. I do not find it unreasonable for HSBC to then subsequently question the multiple payments by transfer and cheques regularly being paid being (sic) out of your accounts and require a conversation with you on your own to check your understanding of these payments. I also do not find it unreasonable for HSBC to do a review of your son [name], being the main recipient of these payments, and as a result not action your request to close your accounts and move the money until concerns over his involvement in your financial affairs was clear.

Unfortunately, in October 2023 HSBC considered its concerns to be sufficiently serious that it invoked a banking protocol that required it to involve the police..... I would have expected HSBC to do this in order to satisfy itself that nothing criminal was occurring..... I know that this meeting resulted in you wishing to be moved to a nursing home, where you then suffered illness. I am sorry this was the case, but I feel that HSBC acted in your interests and were following its procedures to ensure, ultimately, you were safe from what it considered to be a serious suspicion of elder financial abuse taking place..... Overall, therefore I am comfortable to conclude that by and large, HSBC followed its internal procedures correctly and only acted in your interests, even though these actions caused you distress and inconvenience.

The CIFO Adjudicator summarised that she 'accepted that the complexity of this case, with the number of people involved and the locations in UK and

Jersey, meant it was not unreasonable for the closure of [Mrs A's] account to take time.' And that, 'from the point the police were involved in October 2023, HSBC were not able to control the timeframe until the police investigation was completed and [her son] was cleared of any suspicion'. But she concluded that she upheld the complaint because there were periods over the period where she considered HSBC could have acted quicker and more efficiently:

- 'Three months between the cheques being returned unpaid in March and the accounts being blocked in June.*
- Three months between the calls that involved yourself, with [your son] present, in July and the branch meeting in October.*
- Three months between HSBC being told in early January the police investigation had been concluded and HSBC advising [your son] in April that a Lasting Power of Attorney (LPoA), registered in Jersey, would be required to unblock the account, and release the money.'*

In her conclusion the CIFO Adjudicator said that the delays seemed to reflect a lack of a proactive approach by HSBC to support Mrs A in resolving access to her accounts as quickly as possible and awarded Mrs A £750.00 compensation for the distress and inconvenience ("D&I") for the delays caused.

Subsequent Submissions

HSBC agreed with the recommendation. However, through her son, Mrs A requested an Ombudsman's review and final decision summarising the main points of disagreement as follows:

'The sum of £ 750.00 compensation is not a true reflection of Mothers Losses. Mother has a legal bill for over one thousand pounds

[HSBC representative] chose to defy a direct order from the Royal Court!

[HSBC representative] had three weeks to act and register the LPoA from his receipt of the Documents.

I feel Mother has been penalised for [HSBC representative's] gross incompetence.

I then had to represent my Mother in Jersey due to the inaction of [HSBC representative]

Despite [HSBC representative] protestations there was no way I could travel in and out of Jersey in a day and be at Gatwick Airport the following morning for an early morning flight.

Even after my daytrip to the Island [HSBC representative] was involved in a further fiasco over the transfer of Mothers funds to the UK.'

'....., we travelled as promptly as we could thereafter. The British Airways flight was the only viable option. We also lost two days of our holiday. I see no reason why in both cases the Bank should not meet the accounts in full.

Further my Mother should be reasonably compensated for not being able to move her funds at an earlier date.

[HSBC representative] was of course somewhat slow in being transparent over the need for registration of Mother's UK LPoA in the Royal Court of Jersey.

Had [HSBC representative] acted competently and in a timely fashion it is clear Mothers funds could have been moved some four to six weeks earlier thereby saving time, money and further needless aggravation.'

In its response, HSBC confirmed that it had agreed to pay Mrs A's legal bill for the LPoA, as provided by Mrs A's son, and wished this to be included in my review of the complaint.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

My starting point is that for the purposes of my review, I must take the response from Mrs A's son to the CIFO Adjudicator's recommendation at face value as being representative of Mrs A's own opinion.

Given the detailed recommendation made by the CIFO Adjudicator, I consider the sequence of events of this complaint to be well documented. I do not consider it necessary for me to review the decision by HSBC to freeze Mrs A's account. Given in her request for my review, she said *'We agree with your assessment of the facts as we now have a greater understanding as to why Mothers accounts were frozen and the lack of response from HSBC. The fact that HSBC Bank Safeguarded Mother until the*

end of the Police Investigation is not disputed, I take from this that what happened, and why, has been accepted by Mrs A. In response to the recommendation, it is noted that Mrs A's son suffered financial loss by travelling to Jersey to ensure the LPoA was registered with the bank. Like the CIFO Adjudicator has already highlighted, I look only at direct financial losses suffered by Mrs A. Travelling to Jersey was her son's choice, I note not required or requested by HSBC, and although Mrs A reimbursed the cost of the trip to her son, I do not find it appropriate to look to HSBC to compensate Mrs A for the cost of the travel or for the financial loss associated with delaying his holiday by two days to accommodate the trip to Jersey.

In its response to the recommendation, HSBC agreed to pay the legal fees for the LPoA of £1,029.00. Therefore, the only question that remains for me to consider in my review is whether I agree that £750.00 in compensation for the distress and inconvenience caused to Mrs A is fair and reasonable in the circumstances and/or if I consider Mrs A suffered any other financial loss that should be reimbursed by HSBC in this case.

Looking first at the D&I compensation, Mrs A believes that once the LPoA was registered, her money should *'have been moved some four to six weeks earlier thereby saving time, money and further needless aggravation'* and that she felt *'there was no urgency on the part of the Bank to move matters forward'*. I do not agree with her statement that delays were HSBC, or an individual HSBC representative, choosing *'to defy a direct order'* or that Mrs A was personally *'penalised for [HSBC representative's] gross incompetence'*. In assessing the time it took to process the LPoA and deciding whether it warrants any additional compensation for D&I, I looked in detail at the timeline involved from the point when the LPoA was registered to when Mrs A's account was closed and funds released. In summary this was as follows:

1. 13 May – HSBC confirmed to Mrs A the Royal Court's registered LPoA was received but necessary identification (ID) information, i.e., copies of passports, was missing.
2. 14 May – the required ID information was delivered and signed for by HSBC.
3. 31 May – HSBC emailed Mrs A acknowledging receipt and confirmed it would be actioned within 5 days.
4. 6 June – Funds were transferred to the designated UK account and Mrs A's Jersey accounts were closed.

Looking at this timeline, the only potential 'delay' that I can see is the ten working days between when HSBC signed for the delivery of the requested ID information on 14 May and emailing Mrs A to acknowledge receipt. From this point the LPoA is actioned within five working days. I do not consider the ten working days overall an unreasonable period to review, verify and process documentation that transferred the legal authority of Mrs A's financial affairs to a third party, especially given the surrounding circumstances. Looking at the period of the complaint as a whole, I agree with the CIFO Adjudicator that the delays experienced were an unfortunate consequence of the complexity and sensitivity of the situation, involvement of multiple internal departments and external parties, in particular the police. However, HSBC could have applied a more joined-up and proactive approach to support Mrs A, especially once its concerns about the financial oversight of her accounts had been resolved. But I do not agree that there was a further delay in the application of the LPoA that Mrs A believes warrants further compensation for D&I.

I turn now to any financial loss experienced by Mrs A. Mrs A's accounts were frozen, but during this time interest was applied at the usual rate applicable to her account. The transfer of funds in June 2024 was her capital plus the accrued interest, therefore I do not find Mrs A suffered a financial loss from her funds being held in the Jersey account during the period before the account was closed and the funds released and transferred to the UK.

In conclusion, I feel I should note that all of these circumstances arose from HSBC's concerns for their customer. Elder financial abuse is an awful, and unfortunately common occurrence. In my view, HSBC was rightly alert to the risk to Mrs A's money and took actions, including awaiting the outcome of a police review, that were consistent with industry good practice. I agree with the CIFO Adjudicator's assessment that there were some unreasonable delays during the process, though not to the extent claimed by Mrs A and her son, so my Final Decision reflects this. HSBC's request for a LPoA was reasonable in the circumstances and their agreement to cover the legal costs incurred to obtain the LPoA has been noted by me and included in this Final Decision at HSBC's request.

Final Decision

My final decision is that I uphold Mrs A's complaint and require HSBC pay £750.00 in compensation for the distress and inconvenience experienced. This is in addition to the £1,029.00 reimbursement of legal fees associated with registering the LPoA agreed by HSBC.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 26 March 2025