

Ombudsman Decision**CIFO Reference Number: 24-000069****Complainant: Mr M****Respondent: HSBC Bank plc, Jersey Branch**

Mr M complains, in summary, that he experienced a financial loss when HSBC Bank plc, Jersey Branch, did not roll over his USD and EUR Fixed Deposits upon maturity.

Background

On 9 February 2023 Mr M spoke to HSBC over the phone and set up two fixed deposit accounts as follows:

- USD 427,657.12 for 6 months at a rate of 4.49%
- EUR 316,602.89 for 3 months at a rate of 2.35%

During the phone call Mr M confirmed that he would like the interest and capital returned to his account upon maturity.

On 20 April 2023 and 20 July 2023 Mr M received emails from HSBC which said as follows:

“We wanted to let you know that your fixed term deposit is nearing maturity. If you’d like to discuss this with us or make changes to your term, please get in touch by 12pm (UK time) the working day before your deposit matures if you have a sterling account, or two working days before maturity if you have a currency account.”

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

If you've already instructed us with your next steps then don't worry, you don't need to do anything. However, if we don't hear from you, your deposit will be automatically renewed for the same term at the current rate of interest."

Mr M did not take any action in relation to his fixed deposits which he says was on the basis of these emails.

The fixed deposits matured on 9 May 2023 and 9 August 2023 respectively and were deposited to his account in accordance with his instructions. Mr M later identified, on 21 November 2023, that the fixed deposits had not been renewed as he had expected - based on the emails from HSBC - and the proceeds had been sitting in his account not accruing interest. His position is that HSBC should compensate him for the lost interest during that period.

HSBC did not uphold Mr M's complaint on the basis that they acted in accordance with his instructions when the fixed deposits were set up, and the terms of the fixed deposits were detailed in Mr M's monthly statements. The emails that Mr M received were generic and not tailored to his account or the specific fixed deposits held.

Upon reviewing the complaint, the Adjudicator upheld Mr M's complaint in part, concluding as follows:

- The telephone records confirm that Mr M instructed HSBC to set up the fixed deposits with the principal and interest to be paid into his accounts upon maturity.
- The monthly bank statements detailed the fixed deposits and the maturity instructions.
- The emails that Mr M received referenced the coming maturity of his fixed deposits, were addressed to him, and came from a generic email address. The content of the emails was unclear, and it would have been distressing for Mr M to discover that the fixed deposits had not renewed as anticipated and as such HSBC should pay compensation of £250 for that distress and inconvenience.
- As far as the financial loss from the fixed deposits not renewing, HSBC had acted in accordance with Mr M's instructions, and the monthly statements clearly set out the transactions as required by

the Jersey Financial Services Commission's Code of Practice for Deposit-taking Business (the Banking Code). Whilst Mr M has said he was not looking at his bank statements and instead relied only on the emails, she could not conclude that it was fair and reasonable for HSBC to be held responsible for the loss of interest.

HSBC agreed with the findings of the Adjudicator, but Mr M did not.

Subsequent Submissions

In asking for his complaint to be referred to the Ombudsman, Mr M said in summary:

- *HSBC's decision to prioritize an obscure number on a four-page bank statement over personally addressed email is deeply concerning, and the ombudsman's support of this decision is even more troubling. This raises important questions about whether such technicalities, which seem to benefit the institution, are truly fair to clients.*
- *The essence of a Premier Relationship with HSBC is personal contact and fair, reasonable service—relying solely on and prioritizing bank statements over personal subsequent emails contradicts this principle.*
- *In relation to the assertion that Mr M instructed HSBC not to roll over the fixed deposits in the phone call when he set them up, he said: "Even if HSBC's assertion proves truthful, in the context of a personal 'Premier' relationship, can the Jersey Ombudsman reasonably argue that it was NOT appropriate for me to rely on personal emails from HSBC, RATHER THAN OLDER instructions regarding the "Fixed Notice" Deposits?"*
- *I strongly object to the Ombudsperson relying on HSBC's bank statements as "proof", especially when they contradict PERSONAL emails from HSBC. The idea that HSBC never makes mistakes is unrealistic, as I have firsthand experience to the contrary. This suggests potential regulatory bias in Jersey, where banks are presumed infallible, and clients are blamed for all issues. This perception of bias is deeply concerning, especially as public opinion often judges such appearances.*
- *As a Premier client, I was entitled to a designated Relationship Manager, but HSBC standard of DILIGENCE with respect to my account*

*was not upheld.... I relied on PERSONAL emails from HSBC, which, **in the context of a 'Premier' relationship, should take precedence over routine account statements.***

- Having listened to the transcript of the call where HSBC said “Okay, so what we're seeing there is it's so, so I'll open two new accounts, the principal and also the interest. They won't automatically roll over, but they'll go, they'll go back into the same new accounts. And then what we'll do is after three months and after six months, we'll talk to you again. You can see exactly what you're, what you're going to do. Is that, is that the way you would like to set them up?”, Mr M is of the view that “the responsibility for the three and six-month rollovers rested entirely with HSBC. From my perspective, I had no reason to take further action once I received HSBC's personalized emails prior to the deposit maturity dates.”

During the review of this complaint, Mr M has also made additional complaints about his Relationship Management arrangement and about HSBC's handling of his wife's AML/CDD/KYC. As HSBC have not had the opportunity to address these complaints, Mr M has been referred to HSBC so that they can address them in the first instance.

The complaint has therefore been passed to me for a final decision.

Findings

I have considered the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

The principal issue that I need to determine is whether Mr M experienced a financial loss as a result of HSBC's handling of his fixed deposits upon maturity.

Before I proceed with my assessment of this complaint, let me respond to Mr M's concerns regarding CIFO's objectivity. CIFO was established by law in Jersey and Guernsey to consider complaints about financial services providers as an informal alternative to the civil courts. We do not represent either consumers or financial services providers; rather, we undertake independent investigations and reach our own decisions on the basis of the evidence provided by the parties and what we consider to be fair and reasonable in the individual circumstances of each complaint.

Where we consider it warranted, we can award compensation for economic loss and/or for distress and inconvenience up to our statutory limit of £150,000. If a complainant accepts our final decision, it becomes binding on the provider. If a complainant does not accept our final decision, they remain free to pursue their complaint by other means, including the courts.

Mr M has also commented on the standards he expected from his relationship manager in the context of his “Premier” account. Having reviewed the terms & conditions of Mr M’s account, the role of the Relationship Manager was to offer an alternative route for Mr M to communicate with the bank. There is no additional service level associated with the role of the Relationship Manager of a Premier Account such as a requirement to provide account monitoring or to offer financial advice. I therefore cannot conclude that there were any service failings in this regard as far as Mr M’s fixed deposits were concerned.

I have listened to the phone calls from 9 February 2023 when Mr M placed the fixed deposits and he confirmed to HSBC that the interest and principal should be returned to his accounts on maturity. On the call, Mr M noted, *“I don’t even know the world three months from now”*. In confirming Mr M’s instructions, HSBC said *“So what we are saying...I will open two new accounts, the principal and interest will not automatically rollover, they will go back into the same new accounts... and after three and six months we will speak again and see what you want to do.”* Mr M agreed. I do not agree with Mr M that this conversation placed any responsibility on HSBC to proactively contact him for instructions once the fixed deposits matured, as I have explained the Relationship Manager role in the context of the premier account only provided Mr M with a means to contact the bank himself.

I have looked at Mr M’s bank statements from March 2023 to August 2023.

[redacted section]

The statements are clearly set out and show that Mr M had a EURO and a USD fixed deposit in place from February to April 2023 and had a USD fixed deposit in place from February to August 2023. The terms of the fixed deposits showed that option 3 had been selected which was “WITHDRAW BOTH PRINCIPAL AND INTEREST”.

The Adjudicator concluded that HSBC had an obligation to Mr M to confirm his transactions, in particular under the Jersey Financial Services Commission’s Code of Practice for Deposit-taking Business (also known as the Banking Code), HSBC had an obligation under 4.2 to ensure the following: *“A registered person must communicate information to customers in a way that is adequate, fair and not misleading. A registered person must also provide confirmation, in legible form, of any transaction effected for the customer. In the normal way, this would be provided to a customer by means of a bank statement.”*

When asked whether he reviewed the statements Mr M said, *“...our financial administration and was not focused on the distinction between 'Savings' and 'Fixed/Notice Accounts.' Based on the HSBC emails, we both understood that no action was needed on our part for automatic rollovers”* and that *“I trust you appreciate that the information at the absolute bottom of these Statements in no way can countervail the HSBC Expat Rollover Email Notifications that we relied on.”*

I agree with the Adjudicator that the bank statements were in line with the bank’s requirement to provide confirmation of transactions and were legible. Had he looked at them, Mr M would have been able to see the status of the fixed deposits, his instruction of how they should be treated on maturity, and when the funds would be returned to his accounts in accordance with his instructions. I do not agree with Mr M’s assertion that it was reasonable to place more weight on the automated emails that he received rather than the bank statements, particularly given the express instructions he made when placing the deposits initially.

The emails that Mr M relied on were addressed to him and referenced the maturity of his fixed deposit, but they came from a generic email and made no reference to any details of the fixed deposit, the terms or the instructions in relation to his fixed deposits. I therefore do not agree that these were “personalised emails from his Relationship Manager” as Mr M suggests. The emails said *“If you’ve already instructed us with your next steps then don’t worry, you don’t need to do anything. However, if we don’t hear from you, your deposit will be automatically renewed for the same term at the current rate of interest”*. In this case, Mr M had already

instructed the bank regarding the next steps; to deposit the proceeds to his account. If Mr M was unsure as to whether he had given instructions, he could have contacted his Relationship Manager or he could have looked at his bank statements. He evidently did neither, choosing to rely upon the unclear emails and his interpretation of them that was inconsistent with both his initial instructions and the details on his statements.

I do agree, however, that the emails that Mr M received were unclear. I therefore consider it appropriate for HSBC to compensate Mr M for the distress and inconvenience caused by the generic emails which did not clearly explain the action he needed to take in relation to his fixed deposits. However, I do not see that this lack of clarity created an entitlement to interest for deposits that were not renewed, in accordance with his initial express instructions. I also note that the matter was raised several months after the proceeds were deposited to his account, which was a failure to mitigate the loss of interest claimed and in my view was not reasonable under the circumstances.

I appreciate that my conclusion will come as a disappointment to Mr M. I do not conclude that it would be fair and reasonable for HSBC to be held accountable for the financial loss he experienced as a result of the fixed deposits maturing and being deposited to his account in accordance with his clear initial instructions. I agree that the generic emails he received were unclear, and that this may have caused Mr M some degree of distress and inconvenience. His reliance on the automated emails was inconsistent with his express instructions, the information on his statements, and the appearance of the funds in his accounts following maturity of the fixed deposits. I therefore agree with the Adjudicator that the appropriate compensation in this matter is £250.

Final Decision

My final decision is that I uphold Mr M's complaint, in part, and require HSBC to pay Mr M £250 for the distress and inconvenience he experienced.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 4 April 2025