Ombudsman Decision
CIFO Reference Number: 25-000476
Complainants: Mr L and Ms H
Respondent: HSBC Bank Plc, Jersey Branch

Complaint

In summary, Mr L and Ms H complain that they experienced a financial loss when HSBC Bank plc, Jersey Branch, did not renew their USD Fixed Deposit account upon maturity.

Background

Mr L and Ms H had a USD fixed deposit account which renewed on 30 December 2024. As at that point the account was set to renew again, after the next 6-month investment period.

The maturity instruction was amended 'on-line' on 1 January 2025. Ms H's 'log-in' details were used - with the maturity instruction altered to so that the funds would be withdrawn (rather than renew) at the end of the next 6 month investment period, and paid into Mr L and Ms H's HKD account.

HSBC sent a text message prior to the maturity which set out, *"Your fixed term deposit will end within the next two weeks. Unless you've told us otherwise, your deposit will automatically renew for the same period at the live rate on the day of reinvestment. You can check your maturity instructions using online banking and make changes up to two days before your account matures. You can also call us on +441534616313 or visit expat.hsbc.com to explore all your options."*

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

As a result of the amended maturity instruction, the USD fixed deposit account matured and was paid into Mr L and Ms H's HKD account. They say they incurred a financial loss because of this.

Mr L and Ms H's position is that they do not recall making the change to the maturity/renewal instruction, but if they did, it was not deliberate, informed or intentional. They believe that HSBC should have flagged the change as unusual, should have provided an alert and the text message they received about the maturity instruction should have been tailored to them.

HSBC did not uphold the complaint. HSBC said it acted in accordance with the instructions received from Mr L and Ms H.

Mr L and Ms H subsequently referred their complaint to CIFO. It was considered by an adjudicator. The adjudicator did not uphold the complaint. She concluded that the change to the maturity instruction was, on a balance of probabilities, made by Ms H.

Furthermore she did not believe that the bank had made an error in acting on the instruction, and the bank statements and text message sent prior to the maturity of the fixed deposit gave Mr L and Ms H due notice of the change, and sufficient opportunity to check the status of the maturity instruction.

Mr L and Ms H did not accept the adjudicators' conclusions and asked for a review of their complaint.

Subsequent Submissions

Mr L and Ms H asked, in summary, for the following points to be considered:

1. Although Ms H's credentials were used to access Internet Banking on January 1, 2025, there is no evidence she knowingly or intentionally changed the fixed deposit's maturity/renewal instruction. The decision to amend the instruction—and incur foreign exchange risk—was not deliberate or informed.

2. Mr L and Ms H’s USD fixed deposit had automatically renewed every six months, including on December 30, 2024. This consistent history led them to reasonably expect continued auto-renewal unless a deliberate change was made.

3. Switching the maturity instruction from rollover to withdrawal in a different currency was a significant change with clear foreign exchange implications. A proportionate warning should have been provided.

4. Including maturity instructions on monthly statements does not fairly inform customers of important changes, especially since automatic renewals were expected.

5. The SMS received mentioned an upcoming maturity and checking instructions, but did not specify their instruction to withdraw to a HKD account. This further reinforced the belief that the deposit would renew automatically.

6. Mr L and Ms H do not claim fraud or third-party access but feel that the bank’s processes inadequately protected them from an unintended change, leading to perceived unfair treatment and likely financial loss.

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.

In setting out my decision, I haven’t necessarily mentioned or addressed every point raised by the parties. Instead, I’ve concentrated on the key issues that I think are central to the outcome of the complaint. This is in keeping with our established purpose to act as an informal alternative to the courts.

I have reviewed Mr L and Ms H's bank statements from December 2024 to June 2025.

In December 2024 the statement for the applicable account showed the previous fixed deposit instruction, which was set to, *"1 – RENEW BOTH PRINCIPAL & INT +/- a SPECIFIED AMOUNT"*.

The statements from January 2025 until June 2025 included the maturity instruction as, *"3 – WITHDRAW BOTH PRINCIPAL AND INTEREST"*.

The prior USD Fixed Deposit had matured and renewed as per the instruction applying on 30 December 2024, and the maturity instruction was automatically set to renew again at the end of the period. HSBC have confirmed that they received an instruction from Ms H, by way of her internet banking, on 1 January at 11:34, for the fixed deposit to be withdrawn at maturity into their HKD account.

Ms H does not recall making this change, but HSBC have provided the 'log-in' details, which show Ms H using her registered device to generate one-time passcodes by way of facial recognition - at 11:06 and 11:32 on 1 January.

Ms H maintains that she does not recall making the change, but does acknowledge that her 'log-in' credentials and device were used, and had not been shared or compromised. Her position is that if she did make the change, it was not on an informed basis and it was not her intention to make that change.

Taking account of the evidence I have seen, it does seem more likely than not that Ms H made the change to the maturity instruction, although I recognise that this might have been in error.

What I would then have to consider is whether there was some inadequacy or failure in HSBC processes that would mean it should be liable for any losses caused when the fixed deposit was paid out.

The adjudicator concluded that HSBC had an obligation to Mr L and Ms H to confirm their transactions. They referenced the Jersey Financial Services

Commission's Code of Practice for Deposit-taking Business (also known as the Banking Code). Under that code HSBC had an obligation to ensure, *"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."*

In response to the adjudicator noting the maturity instruction was detailed in the statements, Mr L and Ms H said, *"While the maturity instruction appeared on monthly statements, this alone is not, in my view, adequate or proportionate notification for a material change of this nature, particularly where the customer has a long history of automatic renewals and no reason to expect such a change."*

I agree with the adjudicator that the bank statements were sufficient to meet the bank's obligation to provide confirmation of transactions and they were clear and legible. Mr L and Ms H would have been able to see the status of the fixed deposit and the recorded instruction as to how it should be treated on maturity. I do not agree with Mr L and Ms H's assertion that the statements were inadequate in the circumstances.

Mr L and Ms H have said that the text message they received was insufficient, because it did not specify what their maturity instruction was. I agree that the text message was generic. However, I am satisfied that it provided sufficient notice and highlighted that it was for Mr L and Ms H to check the maturity instruction of their fixed deposit in advance of the maturity. Had they then viewed their statements or contacted the bank, the position would have been reasonably clear.

I cannot conclude that HSBC made any error in processing the fixed deposit in line with the maturity instructions that had been noted on the account. Whilst there may have a been a history of renewal, that does not mean that HSBC had a duty to question the instruction – it was reasonable for them to act on it. There was no particular reason why they should have questioned it.

With respect, I do not believe the critical issue is whether Mr L and Ms H wished to make this change but rather it is whether HSBC were correct to act on a valid instruction it received. I believe HSBC acted reasonably to proceed on the basis the instruction it had received. It did not have a proactive duty to check this with Mr L and Ms H in the circumstances.

Banks do have a responsibility to their customers to protect their accounts from fraud and in some circumstances, this would include monitoring accounts for unusual activity. But here there was no such indication here and I do not believe there was any reasonable requirement for HSBC to provide additional monitoring to assess whether Mr L and Ms H had intentionally changed their maturity instruction.

I appreciate that my conclusion will come as a disappointment to Mr L and Ms H. But I do not conclude that it would be fair and reasonable for HSBC to be held accountable for any financial loss they experienced as a result of the fixed deposits maturing and being deposited into their HKD account.

Final Decision

My final decision is that I do not uphold Mr L and Ms H's complaint.

David Bird
Ombudsman

20 May 2026