Ombudsman Decision
CIFO Reference Number: 26-00094
Complainant: Ms C
Respondent: HSBC Bank Plc, Jersey Branch

Complaint

The complainant, who I'll refer to as Ms C, is complaining following the decision by HSBC Bank Plc, Jersey Branch to restrict access to her account and then close it. She has particular concerns about the way the review was conducted, the service she received and the bank's response to her complaint.

Background

To provide a brief summary of the key events, HSBC restricted access to Ms C's account on 9 December 2025 while it conducted a review that required it to obtain further information from her. After completing the review, the bank wrote to her on 13 March to confirm it had taken the decision to close the account and I understand the balance was transferred away from HSBC shortly after.

Our adjudicator didn't recommend the complaint be upheld. While she acknowledged the inconvenience the account block and closure caused Ms C and her frustration at being unable to access her money, she didn't

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

consider that HSBC had failed to follow its own procedures or to comply with its legal and regulatory obligations.

Ms C didn't accept the adjudicator's assessment, setting out her reasons as follows:

> *I fully understand the importance of AML obligations and cooperated fully throughout the investigation. However, my main concerns….are that the bank acted unprofessionally and failed to resolve customer requests:*
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> - ***Lack of professionalism**: Staff remained anonymous, refused to provide names or employee IDs, and the hotline was poorly managed with unclear call quality.*
> - ***Unsecure document submission**: The bank failed to provide a secure channel for uploading sensitive information such as bank statements. Instead, they instructed me to submit all documentation via Gmail, contradicting their own anti-fraud and spam advisories that warn clients against sharing sensitive information with unknown staff or through unsecured channels.*
> - ***No response to complaint**: Despite filing a formal complaint (#[ ], submitted on December 31, 2025), I received no substantive reply, even though the bank's website states complaints should be resolved within 60 days. To date, I have only been notified of account closure, and the Customer Care team has not provided a final resolution to the case. The bank's failure to resolve my complaint violates its commitment to customers.*
> - ***Poor case management**: I believe my case was handled by multiple employees without proper communication, resulting in repeated requests to answer the same questions, duplicate submissions of documents, and delays in acknowledging receipt. As I was not provided with employee identification, I cannot verify who was responsible.*
> - ***Account closure issues**: Wiring instructions had to be given over the phone despite poor call quality, and no formal notice was issued once the account closure process was completed.*
> - ***Final statement inaccessible**: Although the account closure notice states that online banking remains available for one month, I was*

unable to access my account or final statement once the remaining balance was transferred, and I still have not been able to obtain the final statement.

- ***Lack of transparency****: The bank provided no updates beyond generic "investigation is within the 21-day time frame" replies, even after that period had passed. I still have not been informed what triggered the investigation, despite the fact that the transactions in question were simply transfers between my own accounts.*

This experience has been stressful and unnecessarily time-consuming. I respectfully request that these points be reconsidered in a full Ombudsman's review, as they demonstrate clear failures in procedure, professionalism, and client communication.

Shortly after this, HSBC issued its final response to the complaint. While it stood by its decision to review and close Ms C's account, it did accept a number of service failings, including *'delays, lack of support, requests for information already supplied and instances where it appears the teams have not communicated, both internally and with you'*. In an attempt to put things right, it offered compensation of £300 GBP.

Ms C didn't accept HSBC's offer and the case has now been referred to me for review.

My Findings

I've carefully considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. In considering what's fair and reasonable, I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

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.

Where necessary or appropriate, I've reached my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the available evidence and the wider surrounding circumstances.

I think it's also relevant to explain that CIFO isn't the regulator and we don't set the rules for financial services providers or police the industry to make sure those rules are followed. I also don't have the power to fine or otherwise punish providers for their actions. This is the role of the regulator, the Jersey Financial Services Commission JFSC. The primary aim of any award I make must instead be to address any financial detriment or otherwise return the consumer to the position they'd be in but for the inappropriate actions of the provider.

In considering this complaint, I must be mindful that banks need to meet certain legal and regulatory obligations that require them to protect their accounts from inappropriate use. This may necessitate specific information to be provided by customers to satisfy risk management requirements. In meeting their obligations, banks are expected to maintain a set of procedures for administrating an account, and as a result will sometimes block accounts and are not generally required to provide any explanation when they do so. The decision to block an account should be done in accordance with the account's terms and conditions, and to satisfy the bank's legal and regulatory obligations.

Taking everything into account, I've seen nothing to show that HSBC failed to follow its own procedures, or to comply with its legal and regulatory obligations, by restricting access to Ms C's account or taking the decision to close it with appropriate notice.

This notwithstanding, I have carefully considered the concerns raised by Ms C about the way in which the review was conducted and the level of service she received.

I do understand Ms C's frustration that HSBC wasn't able to give her a clearer idea of when its account review would be completed. But I think it's important to recognise the complexity of this process and the fact that each case will require different information to be obtained and reviewed. And sometimes the information obtained will generate additional legitimate questions that lead to requests for more information. Further, the time it takes to complete a review will depend to some extent on the customer's co-operation in providing the information requested of them. All of this means HSBC can't realistically be expected to offer a definitive timeframe at the outset or until the process is near completion.

I also appreciate Ms C's desire to know exactly who was dealing with her case, but there's no requirement for the bank to provide a designated contact or their details. HSBC has explained that it doesn't provide a single contact because all members of its review team send communications and respond to enquiries and I'm satisfied that's a reasonable position for it to take.

Ms C has also expressed her view that she should have been provided with a more secure method to send sensitive information to the bank. I do understand the point being made here, but I've seen nothing to indicate her personal details have been compromised and I note she said in her complaint form that she hasn't suffered any monetary loss. In the circumstances, I don't find any reason to uphold the complaint on this basis. But if Ms C has wider concerns about HSBC's security protocols, she may wish to contact the regulator (JFSC) or the Jersey Office of the Information Commissioner (JOIC).

This notwithstanding, HSBC has accepted there were some service failings in its handling of this situation as outlined above. I can also see that it didn't provide a final response to Ms C's complaint (initially raised on 31 December 2025) within the normal three-month timeframe. I accept these failings would have caused her additional unnecessary distress and inconvenience – beyond the unavoidable inconvenience caused by an account review such as this - and I think she should be compensated for that.

The amount to award for a customer's distress and inconvenience can be difficult to assess as the same situation can impact different people in different ways. But in the circumstances of this case, I'm satisfied the £300 already offered by HSBC is fair and reasonable and consistent with our published approach to compensation awards.

Finally, Ms C has said she wasn't able to access her account to obtain a closing statement, although I note HSBC did say on 14 March that this would also be sent by post or email. If it's the case that Ms C didn't receive a closing statement, she can contact HSBC to request this and I would expect it to provide this information.

It's for these reasons that I'm upholding this complaint. I appreciate the outcome is unlikely to be everything Ms C was hoping for, but I'm satisfied it's fair and reasonable in the circumstances.

My Final Decision

My final decision is that I uphold Ms C's complaint. Subject to her acceptance, HSBC Bank Plc, Jersey Branch should now pay compensation of £300 GBP. In addition, it should provide a closing statement for her account if she requests this.

Jim Biles
Ombudsman

Date: 3 July 2026