

## **The complaint**

A limited company, which I'll refer to as T, complains that HSBC UK Bank Plc unfairly delayed releasing security after the loan it secured was repaid.

T is represented by one of its directors, who has appointed his son to represent him in bringing this complaint. I'll refer to the director's son as Mr G.

## **What happened**

In early June 2020, T repaid its borrowing from HSBC UK Bank Plc. The borrowing was secured on some properties.

In August 2020, Mr G started chasing HSBC to release their security.

Also in August 2020, the bank blocked Mr G's personal accounts and put them under review.

Mr G kept chasing HSBC to release the property charges and made a complaint about the delay. He said he stood to lose millions on a property deal if the bank didn't release the security.

The bank told Mr G that his accounts were under review and they couldn't give any timescales for the review.

On 14 October 2020, HSBC completed their review and that same day began the process of releasing the charge over the properties. They also responded to T's complaint, apologising for any inconvenience caused. They didn't offer any compensation.

Mr G asked the Financial Ombudsman to look into what had happened. He said the delay had meant he had had to complete late on his property deal. This had led to him incurring various costs and caused him considerable stress, because of the risk of the deal collapsing.

I wrote to Mr G asking for further evidence of costs incurred by T. In the absence of a reply, I issued a provisional decision on 20 July 2023. I concluded that HSBC had made some errors that had caused delay. But I wasn't persuaded that T had made a loss as a result of the errors. In summary, I said:

- These events occurred during the pandemic. Inevitably and understandably, this meant that things were taking longer than they would have done before. Nonetheless, having considered all the circumstances, I still thought four and a half months for the review was too long.
- However, I didn't think that any of the evidence provided by Mr G demonstrated that T incurred a loss as a result of the delay. I didn't doubt that Mr G consulted lawyers. But for me to uphold a consequential loss claim, I would need to see evidence that the bank's error had caused T itself - rather than Mr G, or anyone else - to incur costs.

- I also hadn't seen any evidence to support Mr G's allegations that HSBC's RM behaved rudely to him. Neither did I think there was any malicious intent behind the delay.
- HSBC had said in writing several times in August that they had instructed the release of the security, but they hadn't in fact done so. I hadn't seen any evidence that they informed Mr G that their letters were incorrect. But Mr G understood that the security delay was caused by the review. So I didn't think the bank's poor communication caused any additional problems. The problems were caused by the delay itself.
- I could see that the delay caused Mr G considerable distress. I thought that was shown by the amount and content of his communication with the bank (and anyone else he could think of who might help). There was also no doubt that the bank was fully aware of this distress, given that HSBC twice asked the Police to carry out a welfare check on Mr G. But the customer in this case is T, not Mr G.
- As a limited company, T cannot be distressed. I didn't have the power to award compensation for distress experienced by its directors or its directors' representatives.

HSBC said they had nothing further to add. Mr G responded to say he had provided lots of evidence of the bank's negligence. He also reiterated that HSBC had an issue with him because they had paid compensation for mis-selling a swap.

### **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.

In the absence of any new evidence or arguments, I haven't been persuaded to change my provisional view. I will also add that I'm satisfied that HSBC's decision to carry out a review was based on usual procedures and I've seen no evidence that it was influenced by the previous swap complaint.

In summary, I think HSBC took too long over this review, even allowing for the impact of the pandemic. T is the party able to refer its complaint to our service. This is T's claim and to uphold it, I would need to see evidence of losses made by T, not Mr G. I haven't seen this evidence, so I am not going to award any compensation.

### **My final decision**

HSBC made errors here that caused a delay. But I'm not awarding any compensation for these errors, as I haven't seen evidence that T made a loss as a result.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 19 September 2023.

Louise Bardell  
**Ombudsman**