

The complaint

Mrs H complains that HSBC UK Bank Plc placed a block on her account which prevented her from making investments and led to professional costs.

Mrs H is represented in her complaint by Mr B, her attorney.

What happened

In October 2022, HSBC placed a block on Mrs H's bank account which in turn meant that several cheques made out for investments totalling more than £800,000 were returned as unpaid.

Mrs H has a lasting power of attorney (LPA) for property and financial affairs which appointed Mr B and another individual as her attorneys and which was registered in 2017.

Mr B says he spent a significant amount of time trying to find out the reason for the delay before HSBC eventually agreed that Mrs H's account should not have been blocked.

Mr B says that the other attorney, who is a vulnerable adult, was also negatively affected because their card was blocked.

Mr B wants HSBC to pay his professional fees and Mrs H's investment manager's costs totalling just over £6,000. Mr B also wants HSBC to indemnify Mrs H for any lost business property relief she may have qualified for had the investments not been delayed.

HSBC told Mr B that it placed the block on Mrs H's account after concerns were raised by a third party bank. HSBC wanted to establish that Mrs H's account was being used in line with the terms of the LPA. Mr B provided HSBC with a copy of an order from the Court of Protection (COP) issued in January 2020 which authorised a property transfer and lifetime gifts. After investigating, HSBC removed the block.

Our investigator didn't recommend that Mrs H's complaint be upheld. In summary, she said HSBC received the COP document on 18 October 2022 before removing the block on 8 November 2022. Given the large sums of money involved, our investigator didn't think HSBC acted unreasonably when it blocked the account.

Mr B responded to the investigation outcome to say that HSBC placed the block on the account on 12 October not 18 October 2022 and that HSBC received the COP document on 12 October 2022. Mr B said the large amount of money came after the block, so couldn't have been the reason why HSBC restricted Mrs H's account in the first place.

Our investigator went back with some clarification but Mr B remains unhappy with the outcome. He says HSBC's actions have led to Mrs H incurring costs and doesn't think that a four week delay to read one document is acceptable. Mr B says HSBC received the COP document on 12 October 2022 as evidenced in emails. Mr B thinks HSBC misled and misdirected him when enquiring about the reason for the block.

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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me.

I am satisfied that under the terms of Mrs H's account, HSBC was entitled to restrict access in certain circumstances. HSBC says that it took this action after a third party bank raised concerns after a significant amount of money was transferred from an account it held in Mrs H's name. HSBC then wanted to make sure that Mrs H's account was being used in line with the terms of the LPA. As HSBC didn't have sight of the COP at this point, I don't think it was unreasonable for HSBC to have concerns over the way that Mrs H's account was being used.

I appreciate it would have been frustrating for Mr B to be provided with little information about the reasons behind the restriction. But until HSBC had been able to fully investigate the circumstances, I wouldn't necessarily have expected it to be able to share much in the way of detail.

Although Mr B says that he sent HSBC a copy of the COP document by email on 12 October 2022, we don't have a copy of this email and the first record that HSBC has of the COP document is the day after Mr B took it to the branch. This makes it difficult for me to decide that HSBC had the COP document before 18 October 2022. By this time, the cheques had already been presented and at least one of them had been returned as unpaid. So, the fact that HSBC took a few weeks to complete its investigation didn't lead directly to the cheques being bounced. This happened because of the restriction which had been placed on the account several days before.

I understand Mr B thinks HSBC took too long to remove the block. But given the large amounts of money passing in and out of Mrs H's account, I don't consider HSBC was acting unreasonably. HSBC's notes indicate that after speaking with Mr B about the account in mid-October 2022, it still had concerns which is why further investigation was required.

I'm sorry to disappoint Mr B and therefore Mrs H, but I don't require HSBC to pay anything when it was acting in line with the terms of the account by placing the restriction. This includes professional costs and any kind of indemnity for future losses which may arise because of the investment delay.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 November 2023.

Gemma Bowen
Ombudsman