

The complaint

G, a limited company, complains about the information that HSBC UK Bank Plc requested when its director spoke to it on the phone.

What happened

G's director, Mr L, has told us that he's contacted HSBC a couple of times to amend the phone number to use for two-factor authentication when authorising transactions on G's account, and to request a new security token to access business banking. He says that each time, he's provided correct answers to the business-related security questions, but HSBC has also asked for personal information, such as his home address.

Mr L doesn't believe that it's appropriate of HSBC to ask him for personal information, given that the account is a business account and given that he's not asked for any information to be sent anywhere other than G's registered address. He says he's spent hours on the phone trying to resolve the situation.

HSBC isn't willing to update Mr L's information as he would like it to, or to issue a new security token, without all the information it has requested. Mr L says that as a result, he can't access G's business banking.

HSBC says the security questions that Mr L has been asked when he's phoned are in line with its procedures, and are put in place for the safety of customers and their money. It has explained that two-factor authentication for a business account is set up separately for each individual card holder on the account. It says it can't use the same security information for each card holder, so individual personal profiles are set up, and it asks security questions based on the relevant personal profile.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, he thought that HSBC had acted fairly by asking the questions.

Mr L disagreed with the investigator's view, so the complaint's been passed to me.

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 understand that Mr L feels strongly that it's inappropriate of HSBC to ask him security questions which he considers to be inappropriate, or irrelevant to G's business account. But it's for HSBC to set its own procedures for keeping its customers' accounts safe.

In this case, HSBC has explained that Mr L's card is linked to a personal profile, as it can't use the same security information for each card holder on the account. I think that's reasonable. I'm satisfied that HSBC has acted in accordance with its security procedures. And I don't consider that it's asked Mr L for onerous information, or information that it would otherwise have been unreasonable to expect him to provide.

Based on the evidence provided, I don't find that HSBC has acted unfairly or unreasonably. So I don't uphold this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 30 May 2024.

Juliet Collins
Ombudsman