

## **The complaint**

Mr K complains on behalf of his brother, Mr P, that HSBC UK Bank Plc has blocked Mr P's account and that it refused to accept the ID documents he provided to reopen the account.

## **What happened**

Mr P has had an account with HSBC for a number of years. His father acted under a third party mandate to run the account. But in December 2020 his father passed away. Mr K says that Mr P has not had access to his account since then, and the account was dormant. In March 2023 Mr K, Mr P and Mr P's uncle attended a branch of HSBC to get the account reopened. They presented a copy of Mr P's bank statement as evidence of his address but HSBC told them that it could not accept that as evidence since it was a statement relating to the same account.

HSBC suggested that Mr P's carer obtain a letter from the Department of Work and Pensions (DWP). The letter was obtained and Mr K went into the branch and was told that would be sufficient evidence. So he returned to the branch with Mr P and his uncle. However, the adviser then told them the letter wasn't sufficient as it was addressed to his carer and not to Mr P. Mr K asked to speak to someone more senior and he was put in contact with a further adviser. When the adviser asked to speak directly to Mr P, Mr K said that Mr P did not have the mental capacity to respond to that adviser.

HSBC then told Mr K that it couldn't proceed with the application for a third party mandate. And that Mr K could only proceed with reopening the account if there was a Power of Attorney in place, or by making an application to the Court of Protection. It recognised that some inconvenience had been caused to Mr P and offered £150 compensation. However it put a freeze on the account pending Mr K taking further action.

On referral to the Financial Ombudsman Service, our Investigator noted that no attempt had been made to approach HSBC to get the account reopened until March 2023. He pointed out that we couldn't award compensation to Mr K or to his uncle. He said that HSBC had acted appropriately concerning the reopening of the account. In the circumstances of the case, he thought that the proposed award of £150 was fair and reasonable compensation.

Mr K did not agree and the matter has been passed to me for further consideration.

## **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 have noted first of all that Mr K tells us that Mr P is in difficulties because he hasn't had access to the account for three years. I am sorry to note that but from what I can see, HSBC wasn't approached to reopen the account until March 2023.

In respect of proof of address I don't think it was unreasonable for HSBC to ask for some independent proof of address and not the bank statement for the account in question.

Having obtained a letter from the DWP, I can see that it was upsetting first of all to be told that this was satisfactory then when Mr P attended the bank with Mr K and his uncle to then be told it was not satisfactory.

Unfortunately if, as Mr K has told us and HSBC, Mr P does not have the mental capacity to make decisions on his account then a new third party mandate can't be put in place. I appreciate that Mr P's late father had that mandate but I don't know what the situation was or what HSBC's requirements might have been, at the time of applying for the mandate. And if HSBC wasn't told about Mr P's mental capacity it couldn't be expected to know.

I understand that HSBC has now put a freeze on the account so no money can be taken out or paid in. This is because of the risk of fraud on an account that hasn't been used in more than three years. Again, I don't think it was unreasonable for HSBC to take that step.

I think Mr K will need to get legal advice, as if Mr P doesn't have the mental capacity to run the account, an application will need to be made to the Court of Protection to appoint someone to act on Mr P's behalf.

As regards compensation, I accept that Mr K and Mr P's uncle suffered some inconvenience while having to attend the bank, but as our Investigator has advised, I can only award compensation to the person entitled to complain about the account, that is Mr P. And I think in the circumstances of this case that £150 is a fair and reasonable offer.

### **My final decision**

HSBC has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC UK Bank Plc should pay £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 December 2023.

Ray Lawley  
**Ombudsman**