

The complaint

Mr M complains that HSBC UK Bank Plc unfairly refused a cash deposit to his recently opened account.

What happened

Mr M went into a branch of HSBC to pay £10,000 in cash into his new account. After checking how much he could pay in using the self-service machine, Mr M was asked to pay the money in at the counter.

Mr M says HSBC asked too many questions about the source of the money despite him showing a statement from his previous bank. Mr M says he was embarrassed when the manager asked him to move to one side. Mr M was unhappy that HSBC asked him for proof of his identity when he'd not been asked for this when opening the account.

Our investigator acknowledged that Mr M found the experience upsetting but thought that HSBC correctly followed procedures when trying to show where the money had come from.

Mr M initially accepted our investigator's view that HSBC had not done anything wrong but then changed his mind. Mr M was concerned to see that our investigator had mentioned in his view that Mr M asked to make the deposit away from the counter as this did not happen. Mr M didn't agree that he had been irate in branch and said he left in a pleasant manner. Mr M said he felt unsafe carrying the money about with him.

Our investigator didn't think that the evidence suggested Mr M had been targeted by the bank for extra checks because of his background but Mr M thinks he was asked to go above and beyond to prove the source of funds. Mr M thought that it was enough to show HSBC his closing statement.

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 can see Mr M feels strongly about what happened to him and understand that he found the experience in branch intrusive and upsetting. However, after considering everything, I agree with our investigator that it would not be right to require HSBC to compensate Mr M for his experience.

HSBC was correct to be concerned about a large cash deposit. It has procedures in place to make sure that it follows the law and regulations about preventing money laundering. So it was reasonable to ask Mr M questions about the source of the money.

It seems to me that HSBC had concerns about where the money had originated from. Even though Mr M was able to supply statements from his previous bank, this doesn't necessarily identify the source of the cash that he was trying to deposit. Once Mr M explained that the money had come from the sale of a vehicle, HSBC asked for evidence of this. I can

understand that this was frustrating for Mr M, particularly as he did not want to keep carrying a large amount of cash about. But I don't think HSBC was unreasonable when it probed Mr M more deeply about where the cash had come from to try and satisfy its regulatory requirements.

Mr M thinks HSBC may have discriminated against him given the problems he experienced. I can understand why Mr M feels this way but having considered everything, I don't think HSBC acted unfairly or unreasonably for the reasons I've set out above. I am also pleased to note that when Mr M returned to branch with further documentation, HSBC accepted the cash deposit.

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 Mr M to accept or reject my decision before 5 February 2024.

Gemma Bowen
Ombudsman