

The complaint

Mr L is unhappy that HSBC UK Bank Plc closed his savings accounts without notifying him.

What happened

Mr L held an online saver and an instant access savings account with HSBC. On 21 March 2019, HSBC say they sent Mr L letters about each account through their online banking system. These letters explained that Mr L's accounts were inactive as there was no money in them and there were no transactions in the accounts for over two years. They explained that they'll close the accounts unless Mr L starts to use them before 2 June 2019. To keep the accounts active and open, Mr L was asked to simply credit the accounts.

Earlier this year, Mr L says he got in touch with HSBC to enquire about the interest rates on his accounts. He was informed that the accounts were closed in 2019. Unhappy with this, Mr L raised a complaint. He wanted HSBC to explain the reasons for why his accounts were closed.

HSBC explained that they issued letters via their online banking system letting Mr L know that they'd close the accounts if he didn't use them by 2 June 2019. They said that when they sent these letters to Mr L's online banking, they also sent him emails to let him know that he had important documents to view.

Mr L said that he didn't receive any messages from HSBC notifying him about their intention to close his accounts. He explained there was a chance that their messages might've been classified as junk by his email provider. And since he wasn't expecting HSBC to send him emails about his accounts, he didn't know that their messages may have gone into the junk folder.

HSBC explained that Mr L had accessed his online banking in January 2017 and agreed to have letters to be sent to him digitally by email and secure message. They stated that it was Mr L's responsibility to maintain and check his accounts on a regular basis and confirmed they'd followed the correct process.

They told Mr L that if a customer doesn't log on to their online banking in a six-month period, they'd automatically send statements in the post. They said Mr L's 2018 and 2019 statements were sent by post, as well as being available online. They explained they couldn't reopen his accounts and if he would like a new savings account with them, Mr L would need to make a new application.

Mr L said that he had a copy of his 2017 bank statements and a letter in 2018 about the change in interest rate. He confirmed he didn't receive his 2018 and 2019 bank statements in the post. He also questioned why the letters about his accounts being closed weren't sent by post, even though there was no activity in the account and online banking.

HSBC explained that due to the time that's passed, they weren't able to establish how Mr L had requested to receive his statements but reiterated that they posted Mr L's statements in

2018 and 2019. They confirmed again that the letters sent to Mr L advising him that his accounts would be closed was sent to his online banking along with emails notifying him that they'd done that.

Unhappy with HSBC's response and that they didn't do everything possible to communicate with him regarding his accounts being closed, Mr L referred the matter to our service. Mr L explained these accounts were his oldest and now his credit history starts from 2011 instead of 2005. He also believes there may have been a financial impact as he was considering other financial products and he's spent around five hours dealing with this matter. To put things right, he's asked for his accounts to be reinstated, his credit file amended and to be compensated.

Our investigator said that HSBC had the right to close any account, as long as they follow the terms and conditions. He didn't think HSBC could be held responsible if Mr L didn't get the notifications from them, informing him that his accounts would be closed. He felt HSBC hadn't done anything wrong, so he didn't recommend them to reopen the accounts or pay compensation.

Mr L disagreed and asked for an ombudsman to review his complaint. He explained that HSBC told him that when they don't hear from a customer after a set period of time, they start corresponding by post. He believes that by HSBC's own policies, they should've sent him letters by post rather than email, as they hadn't heard from him in two years. He reiterated that HSBC didn't contact him by post or email, and they've not been able to provide our service evidence to show they had.

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.

The personal banking terms and conditions and charges explains how HSBC can contact Mr L. It states that if Mr L was registered for mobile or online banking, they may contact him by using 'My Messages' and 'My documents' in online banking, and they'll let him know when they put something new in My documents.

Due to the time that's passed, HSBC have limited system information. So, they haven't been able to provide evidence to show that the letters of March 2019 were sent via online banking. They also haven't been able to show when and how Mr L signed up to receiving correspondence digitally. Given that the accounts were closed in June 2019, I don't think this is unreasonable.

I've looked at the transaction history in 2017. This shows that Mr L credited his instant access saver with £250 on 23 February 2017 from an external account. He then transferred £125 to his online saver. A month later, he transferred the balance of his online saver back to his instant access saver and then withdrew the rest of his balance by transferring it to his external account.

This indicates that Mr L was registered for online banking. And as explained above, since he was registered for online banking, HSBC were within their rights to choose to communicate with him via 'My messages' and 'My documents' in online banking.

HSBC have explained their policy of sending postal bank statements if their customer doesn't log on to their online banking for a six-month period. However, this doesn't appear to apply to all correspondence, and I can see HSBC told Mr H this was the case with bank

statements as the options on selecting digital correspondence was separate for statements and other documents.

Although I appreciate it would've been useful if the account closure letters of March 2019 were also sent via post, I don't think HSBC were obligated to do so as they are entitled to communicate with Mr L regarding his accounts digitally, as per the terms and conditions.

HSBC can decide to end an agreement and close an account under the terms and conditions, providing they give at least two months' notice. I can see their letters of 21 March 2019 gave Mr L more than two months' notice of their intention to close the account, unless he made a transaction. So, I think Mr L has been treated fairly.

Mr L says he didn't receive the letters from HSBC, but HSBC maintain they sent it to Mr L via online banking. I think it's more likely that HSBC sent the letters, as they appear to be templates generated by their systems. It's quite possible as Mr L has suggested that the emails notifying him that there were documents for him to view were redirected to his junk mailbox.

There are other possibilities too. For example, there was a system error which meant that HSBC's emails weren't sent, or Mr L simply missed them amongst other emails etc. In the absence of system notes to show the letters were sent, I can't say for certain that they were, but this doesn't mean HSBC didn't send them.

HSBC also don't have a record of how the statements in 2018 and 2019 were sent to Mr L. They've confirmed that these would've been made available to him online as well as sent in the post, as he hadn't logged on to his online banking for more than six months. Mr L says he didn't receive them. Unfortunately, as there's no system notes available, I can't say with completely certainty as to whether or not the statements were sent by post. But I think it's likely they would've been available online for Mr L to view.

In any event, even if I found HSBC had made mistakes here, I don't think this has had a significant impact on Mr L. I say this because Mr L didn't enquire about his accounts for several years after they were closed. Both of his accounts were inactive and didn't have any transactions for over two years at the time of closure. The transactions Mr L made in February and March 2017 were only prompted as a result of similar account notices HSBC sent to Mr L in January 2017 with their intention to close his accounts as he hadn't used them in two years at that point.

There was also a nil balance in both accounts at the time of the account closures. So, Mr L hasn't been prevented from using his funds. Although Mr L says he didn't receive the postal statements, he could've chased HSBC to send him statements or logged on to his online banking at any time to review his accounts before they were closed – but he most likely didn't take these steps as there were no transactions for him to review.

Mr L has indicated that the account closures have affected his credit history and ability to obtain other financial products. However, savings accounts aren't reported on credit files, so I don't think the closure of these accounts would've impacted him. I can't see any substantive reasons for why Mr L couldn't open a new savings account at minimal inconvenience to him, which HSBC had suggested he could do as they aren't able to reopen his accounts.

HSBC have apologised for the inconvenience caused to Mr L. Under the circumstances, I'm satisfied this is a fair resolution to this complaint and I won't be asking them to do anything else.

My final decision

For the reasons explained above, 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 L to accept or reject my decision before 12 January 2024.

Ash Weedon
Ombudsman