

The complaint

A company that I will refer to as S complains about the decision of Handelsbanken plc to close its business bank account. S also complains about the customer service provided.

What happened

The following is intended only as a brief summary of events. S held a business bank account with Handelsbanken for a number of years. Some years ago, S had given a third party a loan. In 2022, Handelsbanken reviewed the account and relationship it had with S. As a result of this loan, and the lack of clarity provided in relation to it, Handelsbanken made the decision that its relationship with S fell outside of its risk tolerance. In November 2022, Handelsbanken informed S that it would be closing the account in two months' time.

S and its directors were unhappy about this decision, the fact that it had only been given two months – which fell over the festive period – and with the unprofessional nature of communications it received from Handelsbanken.

Handelsbanken agreed that emails sent to S had used a contracted version of one of S's director's first name and that this was not as formal as might be expected. Handelsbanken apologised for this. Handelsbanken also apologised that an initial response to S's complaint had been incorrectly sent.

But Handelsbanken did not consider it had acted incorrectly in regard to the rest of the circumstances. It felt its decision was in line with the general policies it had, which were themselves a consequence of the regulatory landscape. And it said that the two-month period was what was required by the terms and conditions of the account, and had also allowed S to make other arrangements.

S remained unsatisfied and our Investigator considered its complaint. However, he thought that Handelsbanken's ultimate response to the complaint was appropriate. S did not accept this outcome, and its complaint has been passed to me for a decision.

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.

Having done so, I have come to the same conclusions as our Investigator, largely for the same reasons.

This complaint initially arises out of Handelsbanken's decision to close S's account. Largely speaking, a bank is entitled to determine who it is willing to conduct business with and on what basis. There are limits to this of course; for example, a bank is not entitled to act in a discriminatory manner.

In this case, Handelsbanken's decision was made as there were financial matters involving S, namely a loan to a third-party, which Handelsbanken had not been provided full details of.

Handelsbanken determined that this situation fell outside of its risk tolerance. It is not my role to determine what Handelsbanken's risk tolerance should be. That said, I can understand why it made the decision it did in the circumstances.

Ultimately, Handelsbanken made a commercial decision that it was entitled to make and was not discriminatory. And I consider this decision was fair and reasonable in all the circumstances of this complaint.

Handelsbanken then gave S two months to make alternative arrangements. I appreciate S may have wanted more time than this, especially given their long-standing relationship with Handelsbanken and the time of year. However, two months is the notice period set out in the terms and conditions of their account for such closures. And this is a fairly standard time-frame across the industry. Additionally, as Handelsbanken has said, it does not appear S requested an extension to this period and S was able to transfer its funds to a different account. So, it does not seem this period was detrimental to S. It follows that I do not uphold this point either.

S did receive correspondence that was fairly informal in nature. And it also received an initial response to its complaint that was not sent by the correct person, and did not address all of the issues raised. However, Handelsbanken has apologised for this, and I consider this to appropriately resolve these issues.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 1 December 2023.

Sam Thomas
Ombudsman