



## **The complaint**

Mr R complains that HSBC UK Bank Plc reduced the interest rate to 0% on his ISA uninvested cash account and failed to advise him of this or to reinstate interest payments.

## **What happened**

Mr R contacted HSBC via its live chat facility in April 2023 to ask what the interest rate was on his uninvested cash account. He was told that the account had ceased paying interest since August 2020. He further complained to HSBC that he wasn't told that interest would cease or given any warning and with the rates then approaching 3% he felt he had lost a significant amount.

HSBC advised that it had ceased paying interest on its uninvested cash accounts since 2020 and that all customers had been notified by e-mail of the pending change in July 2020. It said it wouldn't be reinstating interest on the account.

On referral to the Financial Ombudsman Service, our Investigator said that HSBC had made a commercial decision not to pay interest on those accounts. And that it had advised Mr R by e-mail of the change.

Mr R didn't agree and advised that he hadn't received the e-mail. He further said that as of May 2023 HSBC was still advertising on its website that it paid interest on those particular accounts.

The matter has been passed to me for an Ombudsman's 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.

First of all, as our Investigator has pointed out, HSBC has made a commercial decision not to pay interest on its uninvested cash accounts. And it is entitled to do that. And I understand Mr R's point that they are described as ISAs, which are set up in order to get tax advantages from the earning of interest. However my understanding is that the accounts are linked to an ISA and they are intended for holding cash in the short term to facilitate the purchase or sale of shares, rather than investment of cash for the longer term.

So I have to decide whether Mr R was misled or not informed about the change in the account. He has told us that he was not aware of the notification dated July 2020 but did pick up the details on statements which showed the final interest payments made were August/September 2020. And he told our investigator that he couldn't remember whether he had received the e-mail or not.

HSBC has sent us a screenshot of the e-mail being sent to Mr R at the relevant time in July 2020. Bearing in mind that this was a generic e-mail being sent to all customers with those accounts, I think that that is sufficient evidence that the e-mail was sent to Mr R.

So I don't think that HSBC failed to inform Mr R of the change. As for his point that HSBC's website said that those particular accounts were paying interest even in May 2023, it has explained that the information was not updated on the website (it has been now). And in any event I don't think Mr R was misled by that into retaining his money on the uninvested cash account. So it won't require HSBC to take any other action.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 April 2024.

Ray Lawley  
**Ombudsman**