

The complaint

A limited company that I have referred to as S complains about HSBC UK Bank Plc altering the charges associated with its business bank account.

What happened

The following is only intended as a brief summary of the main events. Additionally, for the sake of simplicity I have just referred to S and HSBC rather than any specific individual.

S held a business bank account with HSBC. In December 2022, S contacted HSBC to complain that the charges associated with its business bank account had been increased. HSBC responded, saying that it changes to the charges had been made, “to reflect the evolving needs of all our customers so that they remain relevant and also sustainable for the long-term.” HSBC also said that it had advised S of the charges in July 2022. S remained unhappy. It said it had not received any notification that the bank charges were to be increased. And it brought its complaint to the Financial Ombudsman Service.

However, our Investigator did not recommend the complaint be upheld. She thought that HSBC had complied with the account terms and conditions by providing S with the required notice of the changes. And that if S had not received this letter, this was not something that HSBC could be held responsible for. The Investigator referred to both the letter sent in July 2022 and a previous letter sent in August 2021.

S was not satisfied with this and did not consider it was fair that HSBC had increased the charges by so much. It also explained that as soon as it had become aware of this change it had changed banks. And that the July 2022 letter had not set the changes out in detail.

As the Investigator was unable to resolve the complaint, it was passed to me for a decision. I noted that although there had been a discussion of the July 2022 letter, it was the August 2021 letter – and associated Notice of Variation – that had set out the changes to the charges. So, I provided S with a copy of these, noting that both this and the July 2022 letter explained that these changes weren't applied to S's account in 2021 as there had been a recent change in the tariff prior to August 2021. S responded, in part, saying that the charges that impacted it the most had not been highlighted by HSBC in its letters/notice. And that the notice had not been included in paper format with the bank's August 2021 letter.

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 am not upholding this complaint. I'll explain why.

I appreciate that the changes to S's account meant that it would have to pay much more in charges each year. However, as the terms and conditions of the account set out, the bank will occasionally have to make changes to the account. The changes were applied to all accounts, and did not discriminate against S. And the August 2021 letter and associated

Notice of Variation set out what these changes were.

I note S has said that this did not highlight the change to the charge for cash deposits. However, the August 2021 letter did say that some fees were increasing and also that businesses could reduce the cost associated with cash transactions by using lower cost transactions. I appreciate S's business may not necessarily allow for this, but I do think that this statement would have alerted S to the fact that it might need to check the charges for cash transactions. And the Notice of Variation clearly sets out what these charges would be.

I also note that this Notice of Variation was not provided in paper format with the August 2021 letter. But a link to this document was clearly provided and it was stated that this document fully explained the changes being made. And as the Investigator said, many banks do not routinely send larger documents in paper format so as to save paper. I agree with her that this is not unreasonable.

The August 2021 letter also made it clear that these changes to the charges were not going to be applied to S immediately. And that HSBC would write to S again to let it know when it would be switching to the new tariff.

The July 2022 letter referred back to the August 2021 letter and explained that S would now be switching to the new tariff. This letter did not refer to changes in charges, but S had already been notified of these changes. And I think it would be reasonable for a customer to refer back to the previous letter that had been sent.

S's account then switched to the new tariff more than two months after this notification. So, I do not consider HSBC's actions to be unfair or unreasonable.

I appreciate that S may not have received the letter(s) HSBC sent. But they were correctly addressed. And so, any failure in the delivery of these is not something HSBC can be held responsible for.

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 11 January 2024.

Sam Thomas
Ombudsman