

## **The complaint**

A company I'll call C complains that Handelsbanken PLC (Handelsbanken UK) removed its BACS facility, then closed its account unfairly.

C is represented by one of its directors, Mr H.

## **What happened**

C held a banking relationship with Svenska Handelsbanken AB (publ) in Sweden and Handelsbanken UK. Although this decision only relates to C's complaint about Handelsbanken UK, I will refer to matters regarding the Swedish branch for the sake of clarity.

Between 2019 and 2021, C fell into dispute with the Swedish branch in connection with a loan. The Swedish branch requested security for the loan that C wasn't prepared to give, and C moved its banking facilities away from Svenska Handelsbanken AB (publ). C says the Swedish branch then told Handelsbanken UK to close C's account, which it subsequently did.

C said Handelsbanken UK had firstly withdrawn its BACS facility and later closed its account on instructions from the Swedish branch. Mr H complained and asked Handelsbanken UK to reinstate the account, but it declined to do so. It issued its final response to Mr H's complaint on 8 November 2021. It said a decision had been taken to request a personal guarantee from C's directors in order to support the provision of banking facilities in the UK. And that C's branch in Sweden concluded that C's BACS facility should be withdrawn when C's directors declined to offer personal guarantees.

It said Handelsbanken UK had conducted a standard due diligence review and it acknowledged C had provided the information requested as part of that review. But it said it had decided to close C's account nonetheless, and stated that the decision to do so and the decision to withdraw C's BACS facility was made by Handelsbanken UK and was independent of anything that had happened in Sweden.

Mr H remained unhappy, so he brought his complaint to our service. He said he'd been told the account would be closed because of a risk it would go overdrawn and said Handelsbanken UK's actions were as a result of a vendetta on the part of Svenska Handelsbanken AB (publ) in Sweden.

Our investigator looked at C's complaint but she didn't uphold it. She said she was only looking at C's complaint about Handelsbanken UK, and wouldn't comment on matters involving Svenska Handelsbanken AB (publ) in Sweden. She said Handelsbanken UK had acted in line with its terms of business, and hadn't made an error. So she didn't uphold C's complaint.

Mr H didn't accept our investigator's findings. He said Handelsbanken UK hadn't explained why it closed C's account, that Handelsbanken UK had asked for a deposit of £8,000 as security to continue banking, and he said its actions were in breach of EU competition laws.

He asked for an Ombudsman to review matters afresh.

### **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.

It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene.

I know Mr H is upset that Handelsbanken UK closed C's account and that he feels he has been treated unfairly. But having looked at all the information available to me, I'm satisfied that Handelsbanken UK had sufficient grounds to close C's account and did so in line with the terms and conditions of the account. So, I can't say Handelsbanken UK has treated C unfairly when it decided it no longer wanted C as a customer. And Handelsbanken UK is under no obligation to disclose the reasons for its decision to C, so I can't reasonably tell it to explain itself any further.

I'm also satisfied that it followed its process correctly. Section 13.2 of Handelsbanken UK's terms of business say that it can close C's account by giving it at least two months' notice. That section says Handelsbanken UK can close C's account without notice in certain circumstances, and it lists the criteria it must meet in order for it to do so. And Handelsbanken UK's notice to close gave the required two months' notice, so I'm satisfied it met its contractual obligations.

I've also looked at Handelsbanken UK's decision to withdraw C's BACS facility. In doing so, I've thought about what Mr H has said and I've looked at the information Handelsbanken UK has provided in support of its decision. In its final response letter, Handelsbanken UK told Mr H that a BACS facility created a credit risk and that it had withdrawn the facility after C refused to provide a personal guarantee.

I recognise Mr H didn't think it was necessary to provide a guarantee, but ultimately that is a decision for Handelsbanken UK to make. It is entitled to weigh the risks it considers are presented by its various facilities and to set the parameters under which it is prepared to operate those facilities. Mr H was within his rights to decline to offer security, but equally, Handelsbanken UK was within its rights to withdraw the BACS facility given C didn't meet its requirements.

So because of what I've said above, I'm satisfied Handelsbanken UK acted reasonably and that its decision to remove the BACS facility wasn't unfair. And while I understand Mr H considers this all came about because of what happened in Sweden, I'm satisfied Handelsbanken UK ultimately made its own decisions and did so in a manner it was entitled to.

### **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 C and C to accept or reject my decision before 12 September 2023.

Alex Brooke-Smith  
**Ombudsman**