

Complaint

Mr D is unhappy that HSBC UK Bank PLC ("HSBC") closed his Home Owner Reserve account without his permission.

Background

In March 2023, after Mr D's mortgage had been redeemed, HSBC wrote to Mr D telling him that if still wished to keep his Home Owner Reserve account it would need to maintain a charge on his property. It asked Mr D to get in contact at his earliest convenience. As HSBC didn't hear back from Mr D in response to this letter, it took the decision to close his Home Owner Reserve account in April 2023.

Mr D complained about HSBC's actions. HSBC didn't uphold Mr D's complaint. As Mr D remained dissatisfied, Mr D referred the matter to our service.

One of our adjudicators looked into Mr D's concerns. She didn't think that HSBC had done anything wrong or treated Mr D unfairly and so didn't recommend the complaint be upheld. Mr D disagreed and so the complaint was passed to an ombudsman for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I don't think that HSBC acted unfairly towards Mr D and so I'm not upholding his complaint. I'll explain why in a little more detail.

As our adjudicator explained to Mr D, a financial institution is generally under no obligation to continue offering a credit facility to a consumer if it doesn't wish to do so. In this case, Mr D was asked to get in contact about his account as he'd redeemed his main residential mortgage.

Mr D didn't get in contact with HSBC until after his account was closed. Mr D says that he would have got in contact sooner if he knew that his account would be closed. But while I appreciate that the letter could have been worded better, I'm nonetheless satisfied that Mr D was asked to get in contact.

And as Mr D didn't do so, I'm satisfied that HSBC had sufficient grounds to close Mr D's account and its decision wasn't unfair in the circumstances. I realise that HSBC's decision has been very disappointing for Mr D and I appreciate that he says that he was relying on this account as part of his financial planning.

In any event, there was no guarantee that HSBC would continue making the Home Owner Reserve account available to Mr D in perpetuity. And I'm simply not in a position to tell HSBC it has to reinstate and continue making a credit facility available to Mr D in circumstances which it has legitimately decided it no longer wishes to provide him with one.

Overall and having considered everything, I don't think that HSBC has acted unfairly or unreasonably towards Mr D and I'm not upholding this complaint. I appreciate this will be very disappointing for Mr D. But I hope he'll understand the reasons for my decision and that he'll appreciate why HSBC was entitled to close his Home Owner Reserve account in the circumstances that it did.

My final decision

For the reasons I've explained, I'm not upholding Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 August 2023.

Jeshen Narayanan
Ombudsman