

The complaint

Mr P complains that HSBC Bank won't refund him £500 after an ATM dispensed cash that he didn't authorise or receive.

What happened

Mr P has a current account with HSBC.

On the 25 July 2019, Mr P attempted to withdraw either £10 or £20 from his HSBC account, using a cash machine owned by another bank, which I'll refer to as Bank L. Mr P says that despite not requesting any money from the cash machine £500 was later debited from his account.

Mr P says that on the 25 July 2019 he tried to use a cash machine outside a supermarket. He explains that on entering his card and PIN a man approached him and said there was an error with the machine. Mr P says that at this point he cancelled the transaction and removed his card. And he didn't request for the machine to dispense any funds. Mr P explained that – after his card was returned – he waited around a minute after the transaction had finished before going to the supermarket then returning home. He then checked his balance online and noticed his account had been debited by £500 so contacted HSBC.

HSBC contacted Bank L who provided them with information to show nothing unusual had been reported with the machine that day. And the funds had dispensed without any problems. So HSBC didn't refund the money to Mr P.

Mr P wasn't happy with HSBC's response so complained to our service. An investigator looked into Mr P's complaint. He didn't think that HSBC had acted unfairly in declining Mr P's claim. He thought Mr P had consented to the transaction and was satisfied that there wasn't enough evidence to indicate they'd been a problem with the machine that day.

Mr P didn't accept our investigator's outcome so it's been passed to me for a decision. In summary he said:

- He didn't choose the amount and didn't consent for the £500 to be dispensed.
- He simply pressed cancel and didn't collect any funds.

As Mr P didn't agree with our investigator's opinion it's 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.

And in doing so I don't think HSBC need to do anymore here, I'll explain why below.

Authorisation:

I'm satisfied from the bank's technical evidence that Mr P's genuine card and PIN were used to make the disputed transaction. But the regulations relevant to this case say that is not, on its own, enough to enable HSBC to hold him liable. So I also need to think about whether the evidence suggests that it's more likely than not that Mr P consented to the withdrawal being made.

I understand that Mr P says that after entering his card and PIN into the cash machine on the 25 July 2019 he didn't select £500 or request any cash to be dispensed from the machine. I've thought about what this means in terms of whether Mr P consented to the transaction, and on balance I'm satisfied he did – I'll explain why. Mr P's explained that he was distracted by the member of the public who warned him that the cash machine wasn't working and requested to cancel his transaction. But, the evidence I've seen doesn't support this – there's no indication on the Journal Roll to show Mr P's transaction was cancelled. And I think it's more likely than not Mr P in fact pressed £500 – possibly via mistake after being distracted by the member of the public – instead of selecting to cancel the transaction prior to his card being returned.

Mr P disputes that he asked for £500 to be dispensed, but he also explains that after his card was returned no cash was dispensed. So I've gone on to consider this.

The cash machine that Mr P used wasn't owned by HSBC but by Bank L. Bank L have advised there were no problems with Mr P's transaction. Bank L also provided a copy of the Journal Roll which shows Mr P's transaction and those before and after Mr P's, and details regarding the Purge Bin – which indicates whether surplus funds were left in the machine.

From what I've seen, I don't think it's unreasonable for HSBC to decline Mr P's refund.

This is because:

- The Journal Roll which HSBC have provided shows that Mr P's transaction started and finished within the space of 50 seconds without any indication that it was cancelled. Instead the Journal Roll indicates that the card was *removed* unlike the transaction before which is noted as *consumer cancel* and *abort*.
- I can see from the evidence provided that £500 was dispensed from the machine in the form of twenty three £20s and four £10s.
- The ATM balance was checked on the 3 August 2019, and although a £10 surplus was found this wouldn't explain Mr P's missing £500. If Mr P's money hadn't dispensed I'd have expected £500 surplus in the machine which wasn't the case.

I realise this will be very disappointing to Mr P but I'm satisfied that the £500 more likely than not dispensed on the 25 July 2019. I'm not questioning Mr P's account, and I think on balance it's likely Mr P was distracted by a member of public at the cash machine, who may have taken his funds. I understand this will be frustrating for Mr P, but HSBC's responsibility is to ensure that they executed Mr P's payment instruction, dispensing the £500, and I'm satisfied they did this. Therefore this isn't something I can hold HSBC liable for.

From what I've seen, I don't think it's unreasonable for HSBC to decline Mr P's refund.

My final decision

My final decision is I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 July 2020.

Jeff Burch
Ombudsman