

The complaint

Mr P complains about the service he received from HSBC Bank UK Plc when he bought a used car, transferring money from his HSBC account.

What happened

In July 2019 Mr P agreed to buy a used car in a private sale. He went to see the car and the seller, and they agreed a price of £1,200. Mr P arranged for the £1,200 to be transferred in two payments, one of £50 and one of £1,150, which he made using mobile banking.

The first, smaller, payment went through successfully. The second payment of £1,150 was however subject to further checks by HSBC. It appears that the seller didn't therefore receive immediate confirmation that it had been made. He didn't therefore release the car to Mr P until the following day. The seller wasn't able to meet Mr P the next day, however, and they had to make alternative arrangements.

When Mr P did collect the car, he says that it wasn't as described and that there were problems with the registration documents. He believes that this wouldn't have been the case if the second payment had been made without delay.

HSBC said that it was entitled to make checks before releasing the payment, which was in any event made on the same day. It didn't accept that it was responsible for any issues with the car or the documentation, which were a matter between Mr P and the seller.

Mr P didn't accept the bank's response and referred the matter to this service, where one of our investigators considered what had happened. The investigator was however broadly in agreement with HSBC. Mr P didn't accept the investigator's findings and asked that an ombudsman review the case.

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. I have however reached the same overall conclusions as the investigator, for similar reasons.

I accept that the second payment was delayed, at least in the sense that it wasn't apparent to the seller that it had been made until the following day. Mr P's bank statement indicates that it was made on the same day as the £50 payment, but I can understand why the seller would have been reluctant to release the car until it appeared in his own account.

I also accept however that HSBC was within its rights to make additional checks before completing the second payment. Doing so in circumstances such as these can be a useful protection against certain types of fraud. Inevitably, however, those checks will have led to a short delay in the payment being received.

Since I'm satisfied HSBC was entitled to carry out additional checks, I don't need to discuss in detail what the consequence was. I do accept though that it meant Mr P had to make a second journey to collect the car. Mr P appears to suggest as well that, but for the delay, there would have been no problems with the car or its paperwork. I don't accept that; there's no reason to think the car and the paperwork associated with it were any different when Mr P collected them from the day before.

Mr P believes he's been the victim of a fraud on the part of the seller. That may be the case, or it may be that the car he bought is simply over a lower quality than he had hoped and that any issues with the registration documents can be resolved. But either way I don't believe that HSBC has any responsibility for that. It simply transferred the money in line with Mr P's instructions and following a short but justifiable delay while it carried out checks.

My final decision

My final decision is that I don't require HSBC Bank UK Plc to take any further steps to resolve 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 29 July 2020.

Mike Ingram
Ombudsman