

## **The complaint**

Mr C complains that HSBC UK Bank Plc stopped a payment to his builder for fraud checks and didn't tell him, which caused him embarrassment. He also spent a long time trying to get through to HSBC to discuss it which caused inconvenience.

## **What happened**

On 27 October 2021 Mr C made an online payment to his builder for £4,000.

His builder told him later that day that the payment hadn't been made, and Mr C then received a text from HSBC to say that the transaction had been reversed.

Mr C tried to contact the fraud team to find out what had happened, but after four attempts and spending a very long time on hold, he had to hang up as he had an appointment.

The next day Mr C was able to get through and verify the payment, which was then made.

Mr C was concerned that no one had contacted him to verify the payment prior to reversing it, and he was unhappy that he had spent a lot of time the day before trying to get through to the fraud team. He said that this situation had caused some embarrassment with his builder, and he asked the call handler to raise a formal complaint.

HSBC were unable to respond to the complaint in their given timescales and so Mr C escalated the complaint to us.

HSBC told us that they accepted that they couldn't evidence the contact with Mr C and they had delayed in responding to the complaint, for which they paid Mr C £50 compensation.

One of our investigators looked into Mr C's complaint. He thought that HSBC should pay an additional £50 for the frustration and embarrassment caused by the stopped payment and the difficulty in making contact with HSBC.

HSBC agreed to this, but Mr C thought this amount should be higher, and so the case has come to me to review.

## **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.

The £50 that has already been paid by HSBC to Mr C was in respect of poor complaint handling. It is not part of the Financial Ombudsman's remit to consider whether the complaints have been handled properly and so I am unable to comment on that aspect of the complaint. I can only look at what errors, if any, HSBC have made in processing the payment, and what needs to be done to put things right if they have gone wrong.

Having done so, I'm upholding Mr C's complaint and I'll explain why.

HSBC's process requires that when a payment is stopped for a fraud security check, contact should be made with the account holder to verify the payment.

HSBC's notes show that a text was generated and sent to the landline number held, but HSBC have been unable to provide evidence of that contact actually being made. In addition, there is no mobile or work number recorded as being contacted, even though HSBC hold a mobile number for Mr C, which he says he has received texts on previously.

Mr C says that he didn't receive any phone or text contacts until later in the day when he received one telling him the payment had been reversed. Mr C's online banking was also suspended as a result of the payment being reversed. So, I think it's likely that HSBC didn't attempt sufficient contact with Mr C as they should have.

I can understand Mr C's frustration at finding out that a payment has been reversed without him being contacted, and this was made worse by him then not being able to get through to the fraud team that day to sort it out, and so I accept that there has been some inconvenience for Mr C as a result of this. However, he was able to get through the next day and the payment was processed following that call, which was within 24 hours of the original payment request.

I also appreciate that this will have caused some inconvenience to Mr C in explaining what happened to his builder. However, I am also mindful that any business owner would be aware of standard fraud checks which are now part and parcel of banking and so an explanation for the 24-hour delay should have sufficient to save any embarrassment.

And so, having considered the above, I consider that the recommendation of an additional £50 compensation made by the investigator in this case is fair.

### **Putting things right**

To put things right, I think HSBC should pay Mr C £50 in addition to the £50 he has already received for poor complaints handling.

### **My final decision**

I'm upholding Mr C's complaint about HSBC Bank UK and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 September 2022.

Joanne Ward  
**Ombudsman**