



## **The complaint**

Mr R is unhappy with the service he received from HSBC UK Bank Plc surrounding a credit card payment which completed on a card Mr R had previously reported as lost or stolen.

## **What happened**

Mr R reported his credit card as being lost or stolen to HSBC and received a new card in the post. Sometime later, Mr R's partner made an online transaction, authorised by Mr R, using his credit card details as stored on a merchants app. The transaction went through, but Mr R then realised that the details stored on the merchant's app were those of the card that had been reported lost or stolen. Mr R wasn't happy about this, so he raised a complaint.

HSBC spoke with Mr R and explained that his credit card details had been updated with the merchant automatically. Mr R wasn't satisfied with HSBC's response, especially as other HSBC staff members he'd spoken with hadn't explained that to him previously. Mr R also wasn't happy that HSBC later sent him a response to his complaint advising that the complaint was closed. So, he referred his complaint to this service.

One of our investigators looked at this complaint. They noted the scheme that had updated Mr R's card details was run by the credit card provider, and not by HSBC, and so they didn't uphold that aspect of Mr R's complaint. However, our investigator felt the service Mr R had received having raised his concerns with HSBC hadn't met the standard Mr R should reasonably be entitled to expect. So, they upheld Mr R's complaint on that basis and said HSBC should make a payment of £100 to Mr R for the poor service he'd encountered. Mr R remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

HSBC have explained that the reason the credit card transaction went through was because Mr R's credit card details had been updated with the merchant via a scheme run by the credit card provider – the company whose symbol is on the card. And I'm satisfied from HSBC's explanation that this was indeed the case.

As such, given that it was the actions of the credit card provider which led to the updating of the card details with the merchant about which Mr R has complained, I'm satisfied that HSBC themselves haven't acted unfairly towards Mr R in the manner that he contends here.

Additionally, it must be noted that this service isn't a regulatory body or a Court of Law. Rather, this service is an informal dispute resolution service with a remit based on fairness of outcome. And ultimately, there hasn't been an unfair outcome here. What happened is that a credit card transaction went through that Mr R had authorised.

Mr R's complaint here seems to me to be more about the process followed than the actual outcome. But if Mr R feels that a non-regulatory or unlawful process has been followed here,

I feel this would be something he would need to raise with the relevant regulatory body or pursue through a Court of Law. Although, as explained above, I don't feel that HSBC themselves would be the correct focus of any further action Mr R might wish to take.

I'm aware that Mr R feels HSBC should have given him the option to opt out of the scheme run by the credit card provider. But given that the scheme is run by the card provider, and not by HSBC, I don't feel that it is incumbent on HSBC to have a process in place to enable their customers to opt out of that scheme, and I'm not aware of any compulsion on HSBC to do so. Additionally, I also feel that my previous point – that an unfair outcome hasn't occurred here – continues to be very relevant.

Finally, in response to the view of this complaint put forwards by our investigator, HSBC have accepted that Mr R did receive poor service from them having raised his concerns about the transaction, and they've agreed to pay £100 to Mr R as compensation for any trouble and upset he may have incurred resulting from that poor service.

Matters of compensation can be subjective, and I'm aware Mr R feels that a larger amount of compensation should be warranted here. However, in consideration of the full circumstances of the service issues that Mr R encountered, including that they stemmed from concerns Mr R had about a process not controlled by HSBC, I feel the £100 HSBC have already agreed to pay does represent a fair and reasonable resolution to this aspect of Mr R's complaint.

All of which means that while I will be upholding this complaint in Mr R's favour, I'll only be doing so on the limited basis that HSBC must make a payment of £100 for the poor service he received from them. I trust that Mr R will understand, given what I've explained, why I've made the final decision that I have.

### **Putting things right**

HSBC must make a payment of £100 to Mr R.

### **My final decision**

My final decision is that I uphold this complaint against HSBC UK Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 January 2023.

Paul Cooper  
**Ombudsman**