

The complaint

Mr S is unhappy with the service he received from HSBC UK Bank Plc surrounding the reporting of fraudulent transactions on his mother's account.

What happened

Mr S contacted HSBC as he'd noticed large transactions on his mother's account – for whom he held a lasting power of attorney – which hadn't been made or authorised by either his mother or himself. Mr S wasn't happy with how HSBC responded to his notifying them of the potential fraud, including how HSBC conducted its investigation or that HSBC told the police that they suspected that he was the party committing the fraud. So, he raised a complaint.

HSBC looked at Mr S's complaint. They felt that they had followed an appropriate process having been informed by Mr S of his fraud concerns, and they explained to Mr S that they had no record of anyone from HSBC contacting the police. Mr S wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that HSBC had acted unfairly towards Mr S in how they'd managed the situation, and so they also didn't uphold the complaint. Mr S remained dissatisfied, and 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.

I issued a provisional decision on this complaint on 27 October 2022 as follows:

It's clear that Mr S feels strongly about this matter, and I can understand, given the difficult personal circumstances that Mr S has described, how upsetting this ongoing matter might have been for him.

In their response to Mr S's complaint, HSBC explained they have no record of anyone from HSBC contacting the police in regard to reporting the suspected fraud undertaken on his mother's account. However, it's clear from a review of the fraud investigation notes provided to this service by HSBC that Mr S was given incorrect information here, and that HSBC did notify the police that suspected fraud was taking place after being alerted to it by Mr S.

It should be noted immediately here that HSBC notifying the police about suspected fraud is exactly what would be expected of HSBC in these circumstances, and so I don't consider that HSBC have acted unfairly by doing so. But I feel that HSBC did act unfairly by declaring to Mr S that they hadn't contacted the police. And while I appreciate this was most likely an error on behalf of the HSBC staff member that investigated Mr S's complaint, it seems clear to me that, as a result of being given

this incorrect information by HSBC, Mr S has incurred a degree of upset during a difficult personal time that he ought reasonably not have incurred.

As such, I'll be provisionally upholding this aspect of Mr S's complaint and instructing HSBC to make a payment of £200 to Mr S, which I feel provides fair compensation for the trouble and distress that being given this incorrect information may have caused. However, I won't be provisionally upholding any further aspects of Mr S's complaint, for the following reasons.

Mr S has explained that a member of the police told him that HSBC had advised the police that they suspected that Mr S was the party responsible for the fraudulent activity on his mother's account. But there's no evidence of this in HSBC's investigation notes, which instead note that fraud is suspected and that the police have been informed but which make no statement as to any specific individual believed to be responsible for that fraud.

Importantly, the scope of what this service can consider is limited to the actions of HSBC. And while I can appreciate that Mr S may be unhappy with the actions of the police, who were notified of the potential fraud by HSBC, I can confirm that I don't feel that HSBC acted unfairly by notifying the police as they did, and that there's no evidence that HSBC told the police that Mr S should be considered as a suspect – and also that I wouldn't hold HSBC accountable for the actions of the police after fairly notifying them of the fraud concerns.

Mr S is also unhappy that HSBC's fraud prevention systems didn't flag and stop the fraudulent transactions in the first instance. However, while businesses such as HSBC are required to have fraud prevention systems in place, these systems aren't infallible, and fraudulent activity can still take place. This has been explained by HSBC in their response to Mr S's complaint, and I don't feel that any further action beyond that explanation is required.

Mr S is also unhappy at how he was treated when he went into branch to notify HSBC of the potential fraud. It's clear from HSBC's notes and Mr S's own testimony that the discussion between Mr S and HSBC didn't go well. But I feel that HSBC have followed an appropriate process here. And while I appreciate that Mr S may have felt that a more urgent process should have been undertaken, I don't feel that HSBC should be considered as acting unfairly or unreasonably by following the processes for reported suspected fraud that they have in place. And I note that ultimately, the result of HSBC's investigation was that the balance of the fraudulent transactions was reimbursed back to Mr H's mother's account.

All of which means that my provisional decision here is that I'll be upholding this complaint in Mr S's favour on the limited basis that HSBC did provide him incorrect information in their response to his complaint about whether they'd notified the police – for which, as detailed above, I'm instructing HSBC to pay compensation of £200 to Mr S.

Both Mr S and HSBC have confirmed they accept my provisional decision, although Mr S did explain that he remained deeply dissatisfied with the actions of HSBC and that he feels there was deliberate malice towards him on HSBC's part.

I can appreciate why Mr S may feel this way and I can confirm both that this service takes such allegations very seriously and that I've taken what Mr S has said into account when arriving at a final decision. But from the other information available to me – which I appreciate may be limited, especially in regard to any face to face conversations that may I

have taken place – I don't see any evidence of malice on HSBC's part. But I do see clear evidence of what appears to be a mistake. And it's for this mistake, and the consequences of it on Mr S, that I've awarded what I feel is fair compensation to Mr S, as per my provisional decision letter above.

I realise this might not be the outcome Mr S was wanting, but it follows that my final decision here will be that I uphold this complaint in Mr S's favour on the basis as outlined in my provisional decision above. I hope that Mr S 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 £200 to Mr S.

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 S to accept or reject my decision before 19 December 2022.

Paul Cooper
Ombudsman