

The complaint

Mr and Mrs J have complained about a fraudulent transaction that was allowed to be processed through their HSBC UK Bank Plc (HSBC) account and the service Mrs J received when attempting to resolve the situation.

What happened

Mrs J called HSBC on 8 January 2022. She had noticed a fraudulent transaction on her account and was unable to find her debit card. She had last used the card at a petrol station and did not make the payment she said was fraudulent. Mrs J explained she had stopped the card on the HSBC app.

Mrs J had called through to the lost and stolen cards department. She explained her card was lost and it was agreed that the card would be stopped, and a new card ordered. Mrs J wanted the now pending fraudulent transaction to be reversed while she was on the phone, but it was explained that the department she had phoned through to was unable to carry out the request.

Mrs J explained that she was at a restaurant without a source of funds and that she would not have access to funds until the card arrived five days later. The HSBC representative she spoke to said he would look at alternative ways to help with her payment at the restaurant, but Mrs J said she was with friends that could help and that this was not a priority.

As Mrs J was told the transaction could not be reversed in the call and she would have to call the telephone banking number the following day when it opened, she asked to speak to a manager who repeated the information Mrs J had previously been provided. It was also explained that Mrs J could visit a HSBC branch to withdraw funds.

The following day 9 January 2022 the fraudulent transaction was reversed.

Mrs J raised a complaint about the service she had received and that the fraudulent transaction was able to leave her account in the first place, taking her balance over the agreed overdraft limit on the account. Mrs J has also complained about the time HSBC has taken to address her complaint and that she had to chase for updates.

HSBC explained that while it has fraud prevention methods in place it's not able to stop all fraudulent transactions. However, it did agree that the wait times and delays Mrs J experienced were unreasonable and offered her £75 compensation for the inconvenience it had caused. This offer has since been increased to £200.

One of our Investigators considered Mr and Mrs J's complaint but thought the offer of £200 compensation was reasonable so didn't think the complaint should be upheld. Mr and Mrs J disagreed. Mrs J says the compensation offer is too low considering the stress and inconvenience she was caused.

As Mr and Mrs J did not agree this complaint has now been passed to me to decide.

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.

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From the information I have available I can see that Mrs J called the HSBC lost and stolen card telephone number on a Saturday evening. She explained she was unable to find her card and had found a fraudulent transaction on her account.

When a card is lost or stolen it's a standard bank process to cancel the card and order a new one. The process of having a new card made and delivered can take some time and I think five working days is a reasonable amount of time for this.

I have listened to recordings of the calls made to HSBC when Mrs J reported her lost card and fraudulent transaction. While Mrs J was under the impression the transaction could be reversed immediately, I think the explanation given by the HSBC representative and his manager that the lost and stolen card department was unable to reverse the payment was reasonable.

I can see that the disputed transaction was refunded the morning after Mrs J first contacted HSBC which I consider to be a good service overall

Mrs J has explained that she was left without funds until her new card arrived after five days but she had reported her card lost and Mrs J losing her card was not within HSBC's control. So, she would always have been without her card for this time. As I've explained above, I think this time frame is reasonable.

HSBC did suggest that Mrs J could access funds from her account in branch if she needed immediate access, while I can see why this option would be inconvenient, I think it is a reasonable short-term solution.

It's clear that HSBC should have provided a better customer service to Mrs J following her experience, and that the waiting times she encountered were excessive. But HSBC has offered £200 compensation to Mr and Mrs J for this complaint which I think fairly compensates them for the service Mrs J received.

So, I won't be asking HSBC to do anything further.

Putting things right

If it hasn't done so already HSBC UK Bank Plc should now pay Mr and Mrs J the £200 compensation it has offered to resolve their complaint.

My final decision

I agree that the compensation HSBC UK Bank Plc has offered following this complaint being set up is reasonable and HSBC UK Bank Plc should now pay this to Mr and Mrs J.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs J to accept or reject my decision before 16 January 2023.

Terry Woodham
Ombudsman