

## The complaint

Mr J complains that he received poor service from HSBC UK Bank Plc (HSBC) in connection with disputed transactions on his credit card.

## What happened

Mr J had a credit card from HSBC. His account been subjected to several frauds in the past. In April 2021, transactions totalling £265.64 were considered fraudulent and were held 'pending' by HSBC. On 4 October 2021, these amounts were debited to Mr J's credit card account. He then complained to HSBC who wrote to him on 11 November 2021 and refunded £265.64. Following Mr J's further complaint to HSBC, they said the amount was due to be paid by him and asked him for agreement to debit his account. Mr J didn't agree with that and brought his complaint to us.

Mr J said HSBC had told him he had advised them that the transactions were fraudulent - and he hadn't. He said that HSBC's letter dated 11 November 2021 said the matter had been closed – and therefore he couldn't see why he had to pay £265.64. He couldn't see how it had taken so long to resolve the matter – when it was first raised in April 2021. He'd had several confusing calls with HSBC and couldn't work out what was going on. He was struggling financially and can't afford to pay the amount if it was debited to his credit card. He said the amount should be written off.

HSBC issued two final responses. On 11 November 2021, they said an issue regarding earlier frauds for £1103.34 and £161.99 were resolved and closed (not the subject of this complaint). And said that the other fraudulent transactions were in 'pending' status and after the merchant claimed the amount, his account had been debited. They credited Mr J's account with £265.64 and said they needed to investigate further. They paid compensation of £100 for inconvenience.

In February 2022, a second final response was issued. This said they'd found the transactions to be genuine and wanted to re-debit Mr J's account. They asked Mr J when it would be OK to debit his account – as he had said he was in financial difficulty. Mr J brought his complaint to us. Our investigator said HSBC acted reasonably. She said HSBC had found the transactions to be genuine and Mr J had to repay the amount due. But HSBC should work with Mr J to agree a repayment programme for the amount.

Mr J didn't agree and asked that an ombudsman look at his complaint.

### I reached a provisional decision where I said:

I've read Mr J's complaint and the file - and I can see where he's coming from here. I asked HSBC several questions and in all honesty, I couldn't get any clarity about what happened. So I can see why Mr J was also confused. We asked HSBC for:

- Evidence regarding the decision/inquiries about the disputed transactions; including

how they validated them as genuine. We saw a document from the fraud team, but this wasn't clear.

- Evidence of communications (e.g. letters, emails, texts) sent to Mr J over the period between April 2021 and February 2022 advising him clearly about what had happened and why (apart from the two final responses). None could be produced.

- Calls between HSBC and Mr J between April 2021 and November 2021. None could be produced.

- Why it took from April 2021 to February 2022 to decide the transactions were genuine. Unfortunately, we couldn't get a clear answer.

I'm sorry to say that in each case, it is not clear what happened. I'm not able to say that HSBC were wrong to decide that the transactions were genuine – that's a commercial decision they've taken, and I can't overturn it. But I'm persuaded that the communications from HSBC weren't clear and not misleading throughout the period – and this led to confusion, and ultimately, to Mr J's complaint.

In particular, HSBC didn't provide us with any communication with Mr J between April 2021 and November 2021 - other than the final response dated 11 November 2021. I think it would be reasonable to have expected HBC to advise Mr J about what was going on with the transactions - but didn't. HSBC couldn't produce the calls with Mr J either – it maybe that these set things out, but without the calls, I'm persuaded to accept Mr J's version of events – that the calls were confusing, particularly around whether the transactions were fraudulent or not, and whether it was he or HSBC who had said so.

I must say I found HSBC's first final response dated 11 November 2021 to be confusing – as Mr J has said. I can see it could be interpreted that the matter was closed – as it said *"...would like to inform you the issue is resolved. The team doesn't require any further correspondence. I express my sincere apologies for the inconvenience caused..."*. The letter then goes on to address *"other debits on your new credit card"* – but doesn't distinguish clearly between the previous, settled fraud amounts and the new ones. No amounts are stated – which would've been helpful. No account number is mentioned – as there was an old account and a new account. The letter then says a credit was applied. But it doesn't say how much, or that it might be re-debited, or when – just that *"I have had also referred this case to concern team to investigate."* Compensation of £100 was paid – but it's not clear why that was, or for which fraud.

HSBC told us that the decision to credit Mr J's account at that time was the wrong one and shouldn't have been done. And I can see that also caused confusion. And this, added to the wording and structure of the letter, led Mr J to think that things had been closed off. He was therefore concerned when he was later asked – in February 2022 – to repay the amount.

As I have said: I'm not disputing that HSBC were correct to decide the transactions were genuine – that's their decision to take. But because of the overall communications – both the lack of them, and their quality; and the time taken to resolve matters – I think it is only fair that HSBC pay further compensation to Mr J. They've already paid £100. Given what happened and the length of time this dispute took to resolve I think a further amount of £200 is reasonable and is in line with what we would recommend in the circumstances of this complaint.

Mr J has said that he is in financial difficulty – and it is for HSBC to decide whether they wish to allow Mr J a period to pay the amount of £265.64 – as they've already offered that. But it's also fair that Mr J now engages with HSBC to give his agreement to repay the amount in a

mutually satisfactory way.

Responses to the provisional decision:

Mr J accepted the findings. HSBC didn't respond.

I now need to make 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.

As Mr J accepted the provisional findings and HSBC didn't respond, my final decision is unchanged.

**My final decision**

I uphold this complaint. HSBC UK Bank Plc must:

- Pay £200 for stress and inconvenience. This is in addition to the £100 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 March 2023.

Martin Lord  
**Ombudsman**