

The complaint

Ms W complains that HSBC UK Bank plc (HSBC) blocked two cheques resulting in her losing £720 tax relief on investments. She would like more compensation for the distress and inconvenience than the £60 that HSBC has offered her.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- There is no dispute that HSBC tried to call Ms W on 6 April 2022 about two cheques over which it had fraud concerns. It has explained that its policy, when there is a potential fraud concern, is to try to contact the customer before 2pm. If it is unable to do so it returns the cheques as unpaid, as was the case here. As HSBC followed its fraud policy, and the policy is there to protect both the consumer and the bank, I can't say that it did anything wrong.
- It's unfortunate that Ms W couldn't contact HSBC until the day after it called. I appreciate this meant that Ms W lost out on making a financial transaction at the end of the tax year which she has evidenced. I also appreciate and accept Ms W's point, and the supporting evidence provided, that she would have been within the time limits to make her investments in the tax year in question had HSBC not blocked the cheques. But I think the main issue is that HSBC couldn't contact Ms W. So, with no contact from her it went ahead and followed its policy in returning the cheques. I appreciate HSBC's timescale for getting a response back from Ms W was tight – she had to reply by 2pm the day it left a message. But in cases of potential fraud I think a tight timescale isn't unreasonable. I don't think I can reasonably say that HSBC is responsible for the tax relief loss on an investment.
- I also appreciate the frustration Ms W experienced in contacting HSBC. HSBC has accepted its service was below the standard expected and has given feedback to various members of staff. It has offered £60 compensation which I think is reasonable for the distress and inconvenience.

My final decision

My final decision is that HSBC UK Bank plc has made a fair offer.

In full and final settlement HSBC UK Bank plc should pay Ms W £60 compensation for distress and inconvenience if it has not done so already

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 7 April 2023.

Bridget Makins
Ombudsman