

The complaint

Miss M complains about the overall service she received from HSBC UK Bank Plc (“HSBC”) during the period from September to December 2021, after she says she was victim of a phone scam and internet hack.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again in full here. Instead, I’ll summarise the key points and focus on giving the reasons for my decision.

- Miss M believes she was the victim of a scam on 13 September 2021, following which she immediately notified HSBC.
- Following a call with HSBC, Miss M’s account was frozen.
- Miss M believed it was extremely important to discuss the matter – particularly surrounding the security of her account – with an account manager in branch and tried to arrange this with HSBC staff over the phone.
- During a series of phone calls spanning approximately two months, Miss M was led to believe she’d be receiving communication from a branch about arranging a meeting.
- Around two months after the initial call, Miss M was told that it wasn’t the role of account managers to discuss fraud issues, so a face-to-face appointment wouldn’t provide what she was looking for. HSBC said that any fraud-related matters would be for discussion over the phone.
- Miss M is unhappy with the overall service provided by HSBC, but she has specifically referenced that she feels account managers should have knowledge relating to protecting investments and security of accounts.
- HSBC acknowledged it should have informed Miss M of the correct process, in terms of the role of account managers, in the initial calls – and it apologised for the delay. It paid Miss M £50 to cover the costs of her calls during this time.
- HSBC also said it couldn’t find any evidence of fraud on Miss M’s account. Miss M has stated that the money wasn’t taken as a deduction, but as information.
- Our investigator agreed that HSBC should have informed Miss M of its correct processes earlier and recognised her frustration. But he ultimately concluded that £50 to cover the call cost was a fair reflection of what went wrong – as HSBC wouldn’t be expected to deliver a service it doesn’t offer.
- Miss M disagreed so the complaint has been passed to me to decide.
- On review of case, I didn’t feel the £50 offered was reflective of the trouble and upset that accompanied the financial cost of the calls. Through informal communication with HSBC, it has now agreed to pay an additional £200. This is to reflect the trouble and upset caused by the delay in communicating the role of the account managers to Miss M.

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 would like to reassure the parties that although I have only set out the key points, I have read and considered what's been provided in full. Having done so, I think a fair outcome to this case is for HSBC to pay the £200 outlined above, for these reasons:

- I've not been provided with any evidence of financial loss as a result of fraud or due to any errors caused by HSBC. While there has been reference to losses of over £300,000, Miss M said this was in the form of 'information'. Miss M hasn't provided evidence to substantiate a loss, either financially or in the form of information, despite there being ample opportunity to do so. So, I don't accept there's been a loss here.
- HSBC said its account managers don't discuss fraud-related matters – their role is to discuss wealth management. The role of its employees is a commercial decision for HSBC alone to make and isn't a matter with which our Service would generally intervene, so long as it could demonstrate that it would treat other consumers with the same circumstances in the same way. So, it wouldn't be fair for me to say that HSBC acted in error by not allowing Miss M a face-to-face interaction about matters such as her fraud and security concerns – it doesn't offer this service.
- However, I agree with both parties that there has been an issue with the level of service provided by HSBC. It's clear from the initial phone call that Miss M was affected by her perceived loss on 13 September 2021. But for around two months, it appears to me that she was led to believe she'd be contacted by branch staff to discuss her fraud and security concerns. I think HSBC should have recognised that there were emails being sent to branch asking for urgent contact to be made with Miss M, which weren't being followed through. And that HSBC could have done something sooner to uncover that an account manager, and branch staff generally, wouldn't be able to carry out the service Miss M was hoping for and expecting. I'm satisfied that this caused Miss M unnecessary stress.
- I've thought carefully about how this error in communication – which is what I consider to be the failing in this case – should be put right. There was around a two-month period, from 13 September 2021 until 12 November 2021, in which Miss M was led to believe she'd be receiving a call-back to arrange a meeting. Without this period, matters may not have escalated to the extent they did.
- But, in deciding a fair amount of compensation, I also considered the way in which Miss M spoke to HSBC during the call in which its adviser notified her of the role of its account managers. I note Miss M's consistent use of derogatory language and inappropriate tone from this call onwards. So, while I acknowledge Miss M's frustration in this call and at least four further calls, I don't think it would be fair to hold HSBC responsible from this point – and consider that Miss M has also contributed to her own frustrations.
- So, considering all the evidence I've seen and heard, I think the £200 HSBC has agreed to pay is a fair resolution to this complaint – and simply cannot justify an award in excess of £300,000 which Miss M has requested.
- I note that Miss M at one point implied she was unhappy that her account remained frozen. But Miss M has said that she can 'unsuspend' her account if she wishes to, suggesting that it remains frozen at her request. While I'm not clear of the current status of the account, I don't think HSBC has acted in error here, as it appears to have followed Miss M's instruction.

In summary, I haven't seen evidence of fraud. And while I think HSBC made an error in terms of service, I'm satisfied that £200 is a fair reflection of what went wrong here.

My final decision

For the reasons given above, my decision is that HSBC Bank UK Plc should pay Miss M a further £200 to reflect its service failings.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 14 June 2023.

Melanie Roberts
Ombudsman