

The complaint

Miss F complains about how HSBC UK Bank Plc dealt with a credit balance refund.

What happened

Miss F accepts she made an overpayment on her credit card account of just over £500. She says HSBC didn't deal appropriately with the refund which caused distress and inconvenience. In summary Miss F was told in December 2022 she would receive the refund but did not until after this complaint was brought to us. She also made a number of telephone calls to HSBC about her money.

HSBC accepts it didn't deal appropriately with the refund and accepts it ought to have checked the source account with Miss F in early December 2022. It has offered compensation and has now refunded the money.

Miss F brought her complaint to us, and our investigator upheld it. The investigator recommended HSBC refund the balance of just over £500 and pay £250 compensation.

Both sides agreed with that recommendation and the balance has now been refunded.

HSBC says it paid the compensation to Miss F's credit card account and Miss F says due to the delay she should be paid further compensation.

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 come to the overall view that HSBC should now pay the compensation, but I accept the problem in Miss F receiving the compensation does not appear to be HSBC's fault.

There is no issue here that HSBC did not deal appropriately with what ought to have been a straightforward matter of arranging a credit balance refund. I accept that Miss F was caused inconvenience in contacting HSBC and was without her money for some months. I can see that the money was refunded in around March 2023.

The key issue for me to decide is the compensation amount and can see both sides agreed that £250 was appropriate. I agree with that amount and can't see what took place justifies further compensation as I don't think Miss F suffered any real financial loss.

I can see that HSBC did apply the refund to Miss F's account shortly after she accepted the investigator's view. I think there was then a breakdown in communication about how Miss F could receive the money which I can't fairly hold HSBC responsible for. I can see that Miss F has agreed a compensation amount for what took place which doesn't involve HSBC and I hope in those circumstances that she will appreciate that it was not responsible for the delay. And did apply the compensation to her credit card account before removing it.

Putting things right

HSBC should pay the compensation to Miss F and not to her credit card account.

My final decision

My final decision is that I uphold this case in part and order HSBC UK Bank Plc to pay Miss F £250 compensation.

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

David Singh
Ombudsman