

The complaint

Mr T is unhappy about charges he incurred after he made a cash transaction using a credit card provided by HSBC UK Bank Plc (HSBC). He's also unhappy with the way HSBC handled his complaint.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my 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.

I know it will disappoint Mr T, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr T made a cash transaction using his credit card in May 2023. He repaid the money to his account within a few days as it appears he was unaware of the charge that would be applied for cash transactions. HSBC agreed to refund the cash transaction fee of £37.50 and the interest that was charged on the transaction. But further interest was charged and HSBC had to refund that as well, along with £30 that they paid to Mr T in respect of the distress and inconvenience he had been caused.

The terms of Mr T's credit card account explain the charges that will be applied to cash transactions, and I think HSBC were, therefore, fair to charge the amount they did as a cash transaction fee. It was fair of them to refund that fee but I don't think they made any mistake when charging it.

The terms also explain (under "allocation of Payments") how any payment to the account will be attributed to the balances due on it. That meant that any repayment of the cash transaction Mr T made, would not necessarily go wholly to paying off the cash advance. Again, I don't think it would be fair to suggest HSBC would have done anything wrong if they allocated payments in line with the terms of the account.

HSBC have repaid all fees and interest associated with the cash transaction fee. They've also provided a payment for distress and inconvenience and as I can't see they've made a mistake here I don't think their actions have been unreasonable. In those circumstances, I'm not asking them to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 March 2024.

Phillip McMahon
Ombudsman