

The complaint

Mr and Mrs W have complained about the service they received from HSBC UK Bank Plc in relation to their joint account after Mrs W's debit card failed to complete certain purchases.

What happened

On 5 July Mrs W attempted to use her debit card in several locations in her local town, but discovered that it would not work. As a result Mr W had to use his card to make the purchases that Mrs W had planned to. Prior to this date, Mrs W's card had operated normally.

Mr and Mrs W rang HSBC on 5 July to find out why the card was not working. Mr W was unhappy that he was asked to provide the account number, as he considered that this breached usual bank security measures. A number of calls then ensued between Mr and Mrs W and HSBC, both when they were out in town, and later when they were back at home. Mr W says that HSBC failed to call him back at home as promised, meaning he had to call the bank himself.

During the calls, HSBC stated that Mrs W had not passed its security checks, but Mr W said she had answered the bank's questions correctly. HSBC explained that it would need to reset Mrs W's security code. Mr W says that on occasions the calls were difficult to conduct because of background noise at HSBC.

On 6 July Mr W rang HSBC again. He reiterated his request for an explanation regarding the failure of Mrs W's card. He was also unhappy that Mrs W's security check had failed, and he questioned why security codes would need to be reset. Mr W highlighted the length of time that the calls had taken.

During a call on 6 July, HSBC confirmed it would be sending a new debit card to Mrs W. It also accepted that the security codes on the account would not need to be changed.

Mr W wrote to HSBC on 8 July to formally complain about the service he and Mrs W had received. He said that both he and his wife had been caused unnecessary distress, been placed under unreasonable pressure, and their wellbeing had been affected. Mr W explained that he used to have a direct number to ring for his local HSBC branch, but this had recently been closed, and he asked for a number for his new branch. With the absence of an HSBC branch in his local town, Mr W said that he had needed to take out an account with another bank that has a branch in the town. This had then allowed him to withdraw a larger cash sum than was available from using ATMs. Mr W also said that he felt a security number should not be referred to by HSBC as a 'telephone security number'.

On 25 July HSBC wrote a letter to Mr W to confirm that it does ask customers to confirm their account number when they call, and that it considers this to be a safe practice. It also explained that the security number is usually used to verify individuals over the telephone, and this is why it refers to it as a telephone security number.

On 1 August HSBC wrote to Mrs W and stated that her card had failed on 5 July due to an issue with the card provider, and that this was now resolved. It stated that Mrs W had failed security checks when she'd called and that this had 'locked' security, but that its specialist banking team had later unlocked this when it spoke to Mrs W. HSBC said that when trying to update the telephone security number, Mr W had unfortunately been cut off. However, it believed that this had now been resolved. HSBC confirmed that it had paid £100 compensation to reflect distress and inconvenience it had caused.

On 20 August Mr and Mrs W asked HSBC to provide them with various information relating to their account and the security measures in place around it, and the information which HSBC holds about them.

On 13 September HSBC responded with some details regarding the account. It explained that it has a number that can be rung to assist customers as part of its telephone banking service, but its individual branches cannot be rung.

On 9 October Mr W wrote to HSBC, reiterating that he and Mrs W are not on the internet so are unable to use online banking, and that they do not use telephone banking. He also highlighted the disabilities that they have. HSBC responded on 23 October, stating that it considered it had already responded to Mr and Mrs W's concerns.

Unhappy with HSBC's responses, Mr and Mrs W brought a complaint to this service. They asked again why Mrs W's card had not worked on 5 July, and described their interactions with HSBC on 5 and 6 July. They also highlighted that closing local branches causes difficulties for people with circumstances like their own, as they consider their closest branch now is too far away for them to travel to it. For this reason, they reiterated their request for a telephone number they can call to discuss matters with the branch which is now closest to them.

Our investigator did not uphold this complaint, concluding that the £100 compensation offered by HSBC for difficulties Mr and Mrs W had experienced during the phone calls they had had with the bank was appropriate.

Mr and Mrs W disagreed with the investigator's assessment. Mr W questioned whether the investigator had listened to recordings of calls made on 6 July. He also stated that it wasn't simply that Mrs W had encountered problems with the security questions, but also suggested that HSBC staff did not understand how their own systems worked. He explained that a high proportion of the transactions made on the account are by Mrs W.

Mr W commented that he had never applied for telephone banking, and he expressed his view that banks were in general trying to move all customers to telephone and internet banking. In terms of HSBC explaining that money from the account can be paid in or taken out at the Post Office, Mr W questioned the data protection implications of that.

Mr W said that he and Mrs W had had security passwords for their account since 1997, and that these had not changed. He commented that he had not received HSBC's letter dated 1 August. He also said that in HSBC's letter dated 23 October it had mentioned a letter from the bank dated 3 August, and he said the 3 August letter had also not been received.

Mr W questioned whether the reason for the debit card not working on 5 July was because of a wider problem with the card provider. He suggested that HSBC's call centre might have cancelled the card in error, and said that this had happened before. Mr W emphasised the distress that his wife had been caused by the events that had occurred.

The investigator forwarded to Mr W a copy of HSBC's letter dated 1 August. She also explained that she believed HSBC's reference to a letter it had issued as being dated 3 August represented a typo, and that it was actually referring to the 1 August letter.

In response Mr W confirmed that he had never seen HSBC's letter dated 1 August before. In terms of the content of the 1 August letter, Mr W said that it made little sense, as it referred to Mrs W making calls to the bank. Mr W pointed out that he had made all the calls to HSBC. He also said that HSBC's 1 August letter did not respond to the points he had made in his letter to the bank dated 8 July, and he questioned whether the HSBC complaint handler had fully read his correspondence, or listened to the calls he had made.

In Mr W's view, HSBC has made a number of errors when handling his complaint. He asked that I particularly take into account his letters to this service dated 16 November and 13 December. Mr W reiterated that he and his wife do not bank online, or use telephone banking.

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.

At outset I should explain that the above section of this decision summarises the background to this complaint. It does not include details of all correspondence that has been sent in this matter. However, I can confirm to the parties that I have considered all the submissions which have been made to this service in relation to this complaint. I have also listened to recordings of the calls that took place on 5 and 6 July, which occurred after Mrs W had found that her debit card was no longer working.

It was the failure of Mrs W's debit card when she was attempting to use it for purchases that initially led to this complaint being made. Mr W has questioned whether HSBC's explanation that a problem more widely with the card provider caused the failure is accurate. He has suggested that the card might have stopped working because of an error made by someone at the bank's call centre, and that this had happened before. I acknowledge Mr W's comments, but I should clarify that I assess matters on the balance of probabilities. Having done so here, I don't consider I have reason to doubt HSBC's explanation that Mrs W's card failed because of a wider problem for some customers with the card provider.

It is clear that the failure of the card led to significant difficulties for Mr and Mrs W. Mr W had to travel to meet his wife to help her, and ultimately to use his card to complete transactions, because his card was still working. He then made a number of calls on 5 and 6 July, in order to find out why Mrs W's card was not working. This led to the issues Mr and Mrs W have complained about relating to the security checks which took place over the phone.

I appreciate that Mr W is unhappy with certain elements of HSBC's security measures that it uses to verify customers. He has explained in detail his reasons for this. As an example, one particular question he is unhappy with relates to the bank asking over the phone for him to confirm the account number. I have carefully considered Mr W's comments in this regard. However my view is that HSBC acted reasonably when it asked him and Mrs W over the phone for the information that it did in order to ensure it was speaking to the account holders. HSBC has explained that it considers it is a safe practice for it to request an account number, and on balance I'm not persuaded that it has made any error by asking for this.

Further to that, it is clear that the security of their account is of paramount importance to Mr and Mrs W. But I consider it is likely of equal importance to HSBC, bearing in mind its duty to keep its customers' funds safe. When Mr W rang on 5 July, the phone was passed to Mrs W

so that security questions could be asked of her. HSBC stated that Mrs W had failed the security checks, and this then 'locked' her security. Mr W is concerned that Mrs W wasn't recognised by HSBC when it spoke to her. But it seems this was because she was unable to pass the bank's security systems.

The matter was later resolved when Mr and Mrs W spoke to HSBC's specialist banking team, with the security being unlocked. Overall I do not consider it has been shown that HSBC was at fault in the manner in which it handled the questions around security. I also note that Mr W was unhappy that HSBC referred to the security number as a 'telephone security number', bearing in mind that he and Mrs W do not use telephone banking. But it seems reasonable to me that HSBC uses the wording 'telephone security number' to reflect that customers are generally providing this number when verifying themselves over the phone.

In terms of the general level of service Mr and Mrs W received from HSBC when Mr W rang, I note that in the calls there is a problem with the quality of the line on a number of occasions. This was clearly frustrating for Mr and Mrs W, but I don't have sufficient evidence to conclude that HSBC was at fault for the line quality problems, and I note that it was still possible for the parties to communicate over the phone.

Mr W has general concerns about the way in which HSBC investigated his concerns when he raised them. Like the investigator, my view is that when HSBC referred in its correspondence to a letter dated 3 August, this represented a typo, as it meant to refer to a letter dated 1 August. My view is that overall within its letters to Mr W and Mrs W, HSBC did respond to the concerns they had raised.

Mr W is more generally concerned that HSBC, and others banks, are trying to move customers to telephone and internet banking, and he and Mrs W do not want to use those mediums. I note his comments, but I should clarify that my role is to consider individual complaints, and determine a fair and reasonable outcome to them. In this case, Mr W requested a direct number to ring for his local branch, and HSBC responded that individual branches cannot be rung. Instead, it offers a general number that can be rung to assist customers with their banking. On balance I do not consider that HSBC has acted unreasonably in this regard.

HSBC has told Mr and Mrs W that money from their account can be accessed via the Post Office. Mr W has questioned data protection around this, but I note that various banking services are available via the Post Office for many banks. I do not consider it's inappropriate for HSBC to allow certain services to be available for its accounts via the Post Office, or that it's been shown that HSBC is at fault for making this option available.

I appreciate that Mr and Mrs W remain unhappy with the events that followed after Mrs W's debit card stopped working, and I am sorry to learn about the problems they encountered. Mr W has various concerns about the way in which HSBC operates its banking services, and is dissatisfied with how HSBC handled matters both on 5 and 6 July, and its subsequent correspondence and investigation of his concerns. HSBC accepted that it could have handled matters better, and it paid £100 compensation to reflect unnecessary distress and inconvenience that it had caused. Although I understand that Mr and Mrs W may be disappointed with my findings, my view is that this represents an appropriate resolution to the issues which have been raised.

My final decision

My final decision is that HSBC UK Bank Plc's offer of £100 compensation is fair in all the circumstances. As I understand that this amount has already been credited to Mr and Mrs W's account, I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 15 April 2024.

John Swain
Ombudsman