

The complaint

Mr S complains that HSBC UK Bank Plc failed to provide him with a breakdown of the interest earned on his savings account and underpaid the interest earned.

What happened

Mr S holds an Online Bonus Saver account with HSBC. In September 2023 he noticed that the interest paid into his account for the month of August was less than the previous month. However he noted that he hadn't made any withdrawal and the overall interest rate (standard plus bonus) remained the same.

Mr S contacted HSBC on several occasions and requested a worked calculation to explain the decrease in interest paid. HSBC said it was unable to provide this. It said that the decrease in interest paid was due to a change in the split between the standard rate and the bonus rate. But as the overall interest rate remained the same, Mr S couldn't understand why the interest payment to him had decreased, especially as the interest is compounded.

On referral to the Financial Ombudsman Service, HSBC provided our Investigator with a worked calculation. It said that Mr S had been underpaid by £0.60. Our Investigator proposed that HSBC pay that interest and calculate any further payment due on that interest being compounded. She also proposed that it pay £75 compensation for its poor customer service and failure to provide the worked calculation.

HSBC agreed to our Investigator's proposals.

Mr S felt that HSBC's response was unsatisfactory and wanted it to be investigated why and how HSBC made the error, an assurance that it wouldn't recur and a letter of apology from HSBC. He accepted our Investigator's assurance that HSBC's calculations appear to be correct now.

The matter has been passed to me for an Ombudsman's consideration.

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.

Mr S's complaint was that he couldn't understand why the interest payment on his account had gone down when the overall rate had not decreased accordingly. And that is entirely understandable. He asked to be provided with a worked calculation several times (I believe that he was provided with one before in the course of a previous complaint). However although HSBC set out why his interest payment had decreased it declined to provide a worked calculation.

Further I've noted that Mr S felt he had no choice but to complain to this service. And the result of our investigation was that HSBC, having provided a worked calculation, admitted that it had underpaid the interest on his account.

The result of Mr S's complaint was that HSBC did provide a worked calculation as he had been asking for. It also agreed to pay £75 compensation. Bearing in mind that there was a minimal difference in the amount of interest being paid, the amount of compensation is higher than we would usually award in such a case and that's because HSBC provided such a poor service. I understand Mr S had no choice but to make a complaint to this service.

We act as an alternative dispute resolution service. Our function is to resolve complaints informally and it seems to me in this case that is what our Investigator has done. And HSBC accepted her proposals without argument. In those circumstances whilst I appreciate that Mr S wants the matter to be investigated further, I don't think this would add anything to the case. In particular I can't ask HSBC to give assurances about the future. I've also considered Mr S's request for an apology. But in this case I won't ask HSBC to provide one as I'm satisfied that the other remedies equate to a fair and reasonable resolution.

Putting things right

HSBC should:

- Refund the interest shortfall of £0.60 to Mr S's account
- Recalculate the interest paid in every month since August 2023 to account for any compounded interest affected by the shortfall, and refund the difference. It should provide Mr S with the relevant calculations.
- Pay Mr S £75 compensation for the distress and inconvenience caused.

My final decision

I uphold the complaint and require HSBC UK Plc to provide the redress set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 April 2024.

Ray Lawley
Ombudsman