

The complaint

Ms G is unhappy that HSBC UK Bank Plc didn't complete a transfer she instructed and with the service she received from HSBC surrounding that issue.

What happened

On Saturday 5 August 2023, Ms G instructed a payment online relating to her business. The next day, Sunday 6 August 2023, Ms G instructed a further payment for a different amount to the same recipient.

The following weekend, Ms G noticed that only one of the two payment instructions had been processed by HSBC. Ms G contacted HSBC about this but was told that the department she would need to speak with wasn't open at the weekend and that she would have to call back on Monday. Ms G called HSBC back on Monday, but then spent most of the day being passed between different departments at HSBC, none of which could locate the payment she'd instructed but which hadn't been actioned.

Late that day, Ms G spoke with a HSBC agent who agreed to re-instruct the missing payment, following which the payment was processed accordingly. But Ms G wasn't happy about what had happened, so she raised a complaint.

HSBC responded to Ms G's complaint but initially misunderstood the nature of it. Ms G wasn't happy about this, and she also wasn't happy when, upon further review, HSBC said that the two payments were to the same recipient for the same amount (which wasn't the case) and that because of this HSBC's system had deemed the second instruction to be a duplicate of the first. Ms G also felt that HSBC's offer of £50 compensation for the length of time she'd had to spend on the telephone with them was derisory. So, she referred her complaint to this service.

One of our investigators looked at this complaint and liaised with Ms G and HSBC. During their review, HSBC offered an increased compensation amount of £150 to Ms G for the trouble and upset she'd incurred. Our investigator felt that HSBC's offer represented a fair and reasonable resolution to this complaint. However, Ms G remained dissatisfied, so the matter was escalated to an ombudsman for a final 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 issued a provisional decision on this complaint on 27 February 2024 as follows:

In their response to Ms G's complaint, HSBC have explained that because the two payment instructions were made to the same recipient for the same amount on separate days – with one of those days being a Sunday, meaning the instruction wouldn't be processed until the next day – that their system considered the two instructions to be duplicates and so only processed one of them. And HSBC have further explained that they will always err on the

side of caution regarding potentially duplicate payments, and so didn't feel that any bank error had occurred.

But it's clear that HSBC are mistaken, because while Ms G did instruct the payments to the same recipient, the two payments were for different amounts. Accordingly, I'm satisfied that HSBC's position that no bank error occurred here is flawed, and that a bank error – the cancelling and non-processing of one of Ms G's payment instructions – did take place.

Where a business has made an error, it would generally be expected by this service that the business would take the corrective action necessary to return their customer to the position they should be in, had the error never happened. In this instance, this means the processing of the payment instruction that HSBC had cancelled in error. But a replacement instruction for this payment was taken by HSBC when they spoke with Ms G on Monday 14 August 2023, and that payment was completed successfully. As such, I'm satisfied that no further corrective action is required from HSBC.

Besides corrective action, it would also be generally expected that a business which has made a mistake would look to fairly compensate their affected customer for any trouble and upset that customer might have incurred because of the mistake.

HSBC feel that the increased offer of £150 compensation, made to Ms G for the time that she had to spend on the telephone resolving this issue, does provide fair compensation to her for the worry and inconvenience she's incurred. But I don't feel that HSBC have fully understood or recognised the impact that their mistake had on Ms G. And because of this I'll be provisionally upholding this complaint in Ms G's favour and instructing HSBC to pay an increased compensation amount of £300 to Ms G.

In arriving at this position, I've considered the impact of these events on Ms G, as she's described them to this service. This impact began from when Ms G noticed that one of the payment's hadn't been made, which appears to have been on Saturday 12 August 2023 – given the recorded phone call from that date that I've listened to in which it was explained to Ms G by HSBC that she would need to call back on Monday 14 August 2023 – until the replacement payment instruction was taken by HSBC late on Monday 14 August 2023 and when that replacement payment was subsequently received by the intended recipient.

I accept that Ms G spent several hours on 14 August 2023 speaking with a number of different HSBC departments before a replacement payment instruction was taken. I also accept that the missing payment would have been of significant concern to Ms G, given that it was a payment to a supplier for her business, and that Ms G would have been caused some embarrassment by having to explain to her business supplier that one of her payments would be late.

In addition, I've also taken into account the general framework which this service uses when assessing compensation amounts – details of which are on this service's website. And taking these factors into consideration together, I feel that £300 is a fair compensation amount in this instance.

I'm aware that Ms G is unhappy with how HSBC handled the complaint she raised about this matter, including that HSBC misunderstood the complaint in the first instance. But this service only has the remit to consider points of complaint about regulated financial matters. And how a business handles a complaint isn't a regulated financial matter – even when that complaint is itself about a regulated financial matter. As such, my remit only allows me to consider the actions about which Ms G has complained – the non-payment of one of her instructions – and it isn't within my remit to consider Ms G's dissatisfaction with how HSBC have handled her complaint.

Finally, this service isn't a Court of Law or a regulatory body, and so it isn't within my remit to declare that a business has or hasn't acted in non-lawful or non-regulatory manner. Similarly, for the same reasons, it also isn't within my remit to tell a business to change the way it operates or to punish a business in any way.

Rather, my remit is focussed specifically on what happened to Ms G and whether I feel that any corrective action or payment of compensation should reasonably be instructed of HSBC to arrive at what I consider to be a fair outcome to this complaint. And, for the reasons explained above, I feel at this time that an instruction to HSBC to make an increased compensation payment to Ms G of £300 does represent a fair outcome here.

Both Ms G and HSBC responded to my provisional decision. Ms G confirmed that she was happy to accept my provisional decision, whereas HSBC explained that they had no further representations to make.

As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Ms G's favour on the basis described in my provisional decision above. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

HSBC must make a payment of £300 to Ms G.

My final decision

My final decision is that I uphold this complaint against HSBC Bank UK Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 1 May 2024.

Paul Cooper
Ombudsman