

The complaint

Ms O complains HSBC UK Bank plc (HSBC) unfairly debited her bank account after incorrectly crediting her account with a larger sum, without any notice.

What happened

Ms O says in February 2024 she received an email from a business informing her a direct debit had bounced and on checking her HSBC app she discovered her account had been debited with a sum of in excess of £1,700. Ms O says when she spoke to HSBC she was informed it had incorrectly credited her account with £1,800 rather than the £18 she had deposited in mid-January 2024.

Ms O says she visited a HSBC branch and asked to speak to the manager, but the staff were rude and told her she had been sent a letter about this matter, which Ms O says she never received.

Ms O says HSBC have refused to re credit her account and allow her to pay this back by instalments and this has now created a large overdraft on her account, even though it was not her fault as she believed the payment was her salary. Ms O doesn't feel the compensation HSBC offered of £100 is sufficient and wants HSBC to credit the funds back for her bank account to repay in manageable instalments, given this was HSBC's error.

HSBC says it wrote to Ms O to inform her of the error and as she wasn't entitled to the money it acted correctly when it debited her bank account for the difference of £1,782. HSBC apologised for the error and paid Ms O £100 for this and agreed to reverse any interest accrued on her bank account over the next three months.

Ms O wasn't happy with HSBC's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator felt while at first glance Ms O may have believed the credit for £1,800 could have been her salary, her actual salary payment was credited to her bank account three days after, and the £1,800 payment clearly stated it was a cheque paid in. The investigator also pointed out that Ms O had been told during a telephone call on 25 January 2024 the amount of her salary paid into her account of £1,750.75, so Ms O would have been aware of that.

The investigator says other calls to HSBC indicated Ms O regularly checks her bank account as expected, so she would have been aware of the account activity. The investigator says the terms and conditions of her bank account with HSBC state that it is able to recover any funds paid into her account by mistake, even if this creates an overdrawn position.

The investigator was unable to find any evidence Ms O visited the branch in February 2024 and so was unable to comment on this point. The investigator felt HSBC's offer of £100 and to waive the interest on her overdraft was fair in the circumstances.

Ms O didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Ms O to have learned her bank account had been credited with an incorrect amount and have that sum debited, causing an overdraft. When looking at this complaint I will consider if HSBC acted fairly when it debited Ms O's bank account following an error when processing a cheque, she paid into her account.

Ms O's complaint centres around the fact HSBC debited her bank account with £1,782 in mid-February 2024, as it had incorrectly processed a cheque she had deposited in January 2024 for £18 for a sum of £1,800. Ms O says she was never informed of this being debited and it has caused her financial problems as she believed the payment was her monthly salary. Ms O says she asked HSBC to refund this amount and allow her to pay this back in instalments, given it was HSBC's error in the first place. Ms O doesn't feel the compensation paid by HSBC goes far enough to cover the issues she has faced.

Ms O says she visited a branch in February 2024 and whilst I'm not disputing that, I have no evidence to support her visit, so I'm not able to comment on whether or not staff had been rude to her that day.

I understand the points Ms O makes here but I'm not fully persuaded by her argument. I say this because from the information I have seen and having listened to a number of telephone call recordings with HSBC, Ms O was informed of the amount of her salary paid into her account of £1,752 on 25 January 2024. In addition, the following day Ms O changed her online banking password and confirmed to the agent she had access to her online banking, which demonstrates she would have been reasonably aware the £1,800 wasn't her salary.

It's reasonable to say from this, Ms O does check her bank account activity as she should, so with that in mind it's difficult to understand how she wouldn't have noticed the extra £1,800 being available to her or queried it at the time. While Ms O says she never got notified of the debit to her account, HSBC says it sent her a letter on 14 February 2024 and it's unclear why Ms O never received that letter. That said, what's important here is HSBC are able under its terms and conditions to debit Ms O's account if funds are deposited in error, that aren't due to her and that's what happened here.

In these circumstances I would expect HSBC to inform Ms O of this and to apologise for the inconvenience caused. Here from the information available to me, I can see HSBC have done that and paid Ms O £100 for the inconvenience caused and also agreed to waive any interest charges for the three months following the debit to her account.

While I haven't been presented with any evidence to show Ms O has been financially disadvantaged by damage to her credit file as a result of this matter, if the debit caused an unauthorised overdraft then HSBC would be obliged to accurately record this with the relevant credit reference agencies.

Overall, while Ms O may not agree I am satisfied on balance HSBC have acted reasonably here.

While Ms O will be disappointed with my decision, I won't be asking anymore of HSBC.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 26 June 2024.

Barry White
Ombudsman