

The complaint

Ms C complains that HSBC UK Bank Plc didn't give her accurate information about her account balance meaning a direct debit payment was returned unpaid, causing her embarrassment.

What happened

On 5 April 2024 Ms C says she received a text message from HSBC which indicated to her that she had sufficient money in her account and available overdraft limit to cover the direct debits to be paid that day.

Ms C says that due to work commitments she didn't check her HSBC account again until after 3.30pm. She says she then realised that HSBC had returned unpaid the direct debit payment to her child's school. She rang HSBC, which told her a card transaction had been debited to her account that day. The school direct debit payment would have caused the balance in her account to exceed her overdraft limit by just over £13, and so it had decided not to pay it. Ms C transferred enough money into her account to allow HSBC to make a manual payment to the school for the required amount. She complained that HSBC had not given her accurate information about her account balance.

HSBC said its text banking alerts showed the statement balance and not the available balance and it would be withdrawing this service. But it said Ms C could obtain her available balance including pending transactions through her mobile banking app and she could set up push notifications to keep up to date with transactions throughout the day.

HSBC also said that on the morning of 5 April 2024 it had sent Ms C a text message telling her that direct debits may be reversed if sufficient funds were not paid in by 3.30pm. She didn't credit her account until 4pm, and by that time the decision not to pay the direct debit had been made.

Unhappy with the outcome, Ms C came to us. She said the text banking alerts were not useful given the reliance on card transactions which could be debited at any card. She said other banks showed available balances. She also said she didn't receive HSBC's text saying direct debits might be reversed. She said she'd been in meetings and it wasn't practical for her to check her account balance during the day. She thought HSBC should recognise the inefficiency in its systems and compensate her for her inconvenience.

Two of our Investigators considered Ms C's complaint but they did not uphold it because they didn't think HSBC had made an error. They concluded that HSBC had notified Ms C by text message that she should deposit sufficient funds in her account before the 3.30pm deadline. HSBC provided evidence that Ms C had logged into her mobile banking before 3.30pm on 5 April 2024, which would have given her the available balance.

Ms C asked for an Ombudsman's review. She said she had made a separate complaint (now resolved) to HSBC about an HSBC employee changing her statement date without authority, resulting in her account settings being changed. She restated that she didn't receive the text message saying that direct debits might be reversed. She did not own the

type of phone our Investigator said had been used to access her account. She has no clarity on why HSBC shows a statement balance and not an available balance showing pending transactions.

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 don't consider I can fairly uphold this complaint. So I don't require HSBC to pay Ms C compensation for her inconvenience following her direct debit to her child's school being returned unpaid. I'll explain why, focusing on what I consider to be the key issues.

The direct debit payment to Ms C's child's school would have caused her account balance to exceed its authorised overdraft limit by just over £13. So I think HSBC was entitled to make the decision to return the direct debit unpaid.

Ms C says HSBC gave her information which led her to believe she had sufficient funds in her account to cover the direct debit. And I see that HSBC accepts that its text banking alerts gave the statement balance and not the available balance. But it says it did text her at 07.35am on 5 April 2024 warning her that direct debits may be reversed if sufficient funds were not paid in by 3.30pm.

Ms C says she did not receive HSBC's text message about reversing her direct debits. And I've noted Ms C's comments about the resetting of her account settings following a change in her statement date. But I think it's more likely than not, on balance, that HSBC did send her the text message warning her about direct debits being reversed. The bank's records show the text was sent to Ms C's correct number.

Ms C says that she does not own the type of phone shown in HSBC's records as being used to access her mobile banking service on 5 April 2024. HSBC has said that it did not access her account on 5 April 2024 other than to make the payment to the school, on Ms C's instructions. I've also listened to Ms C's call to HSBC on 5 April 2024. During that call she told HSBC she had been working all day and had looked at her bank account to see that HSBC had reversed her direct debit payment to her child's school. I think it's more likely than not, on the balance of probabilities, that Ms C did check her mobile banking, which HSBC says would have shown her available balance.

It was frustrating for Ms C that a card payment was debited to her account on 5 April 2024, which meant that she did not have enough money in her account to cover the direct debit to the school. Ms C has not disputed that she made that card payment, which HSBC says was authorised on 4 April 2024. I don't think I can fairly say that the return of the direct debit was HSBC's fault. So I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

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

Amanda Maycock
Ombudsman