

The complaint

Mrs M, represented by Miss R, complains that HSBC UK Bank Plc blocked a payment she tried to make. She also complains about the service provided by HSBC.

What happened

In December 2023, Mrs M was abroad with Miss R, her daughter. She attempted to make a payment to Miss R of around £60, but it was blocked by HSBC. She has told our service that, despite assurances from HSBC that there would be no further issues, the payment and her account were blocked each time she reattempted it. Mrs M says it took several calls to HSBC before the payment went through.

Mrs M complained to HSBC. In its response, it said it had recently seen an increasing number of scams involving payments to beneficiaries which had previously been confirmed as genuine. To combat this, its fraud team had increased its checks, and this covered payments to beneficiaries that its customers had previously confirmed they intended to pay, regardless of whether previous payments to the beneficiary had passed these checks.

HSBC issued a further response which covered its earlier advice, but said its agent should have offered to reinput the payment for Mrs M. And, because they didn't, HSBC apologised and offered to credit Mrs M's account with £75.

Mrs M wasn't satisfied with this response and spoke with HSBC again. But HSBC maintained its position and reminded Mrs M of her right to refer her complaint to our service.

As Mrs M remained unhappy, she asked our service to investigate.

Our Investigator didn't uphold the complaint. She empathised with Mrs M for having to call HSBC from abroad, but said only two calls had been made; the first lasting around five and a half minutes, the second lasting around 16 and a half minutes. She said the blocks were removed each time and, following the second call, the payment was processed.

The Investigator didn't think HSBC had done anything wrong in blocking the payment, but accepted it could have been processed by the first agent. However, the Investigator said she didn't think HSBC was under any obligation to do so and felt the £75 offered by HSBC made up for the distress and inconvenience Mrs M experienced.

Mrs M didn't accept the Investigator's view and asked for an Ombudsman's decision. Miss R, acting for Mrs M, raised concerns that HSBC hadn't provided all of the calls. She said Mrs M had been told more than once that the payment would go through. She also raised concerns that she had, on occasion, spoken on her mother's behalf, but that Mrs M hadn't always been required to permit her to do so. She said £150 would be enough to settle the complaint.

The Investigator relayed the request for additional compensation to HSBC. HSBC didn't think it would be fair to increase its offer of compensation, and it disagreed with Miss R's comments. It said the first agent *hadn't* advised there would be no further problems with

sending payments. And the reason they hadn't asked for Mrs M's permission to speak with Miss R during that call was because Miss R had been posing as Mrs M. Because of this, the agent believed they had been speaking with Mrs M directly.

It confirmed it could only locate two calls regarding the payment, with only one of those calls being with Mrs M. As such, it didn't think more than £75 was fair, and that it would be happy to pay this amount upon acceptance.

As no agreement could be reached, the case was passed to me to decide.

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 don't uphold this complaint. I realise this will be disappointing for Mrs M, so I've explained why.

I should point out that this decision relates to the payment Mrs M first attempted on 18 December 2023 for around £60. If Mrs M has experienced any other issues, or made calls to HSBC relating to other payments, I won't be considering them as part of this decision, and she'll need to complain to HSBC separately.

I've thought about Mrs M's concerns around not being asked whether she consented to Miss R acting on her behalf. To help me with this, I've listened to the two calls I have on file and I'm of the opinion that a different person introduced themselves as Mrs M on each call.

I say this because midway through the second call, the caller – Mrs M – passed the phone to someone else to speak on her behalf. She introduced that person as Miss R, her daughter. But the voice of the person who took over the call sounded identical to the caller from the day before – and that person had identified themselves as Mrs M during that call.

I think it's unlikely that Miss R would have posed as Mrs M during the second call, only to pass the phone to Mrs M, who would have been posing as Miss R. Because of this, I think Miss R successfully passed herself off as Mrs M during the first call. And, under the circumstances, I wouldn't have expected the agent to have asked for Mrs M's permission to speak with Miss R, as he'd been led to believe he'd been speaking with Mrs M all along.

Turning to the blocked payment, businesses are generally expected to ensure the amount requested by the payer is credited to the payee's account by the end of the business day following the time of receipt of the payment order. But there are exceptions, one of these is supported by HSBC's terms and conditions, which say:

'We'll make a payment from your account if we can, but there are some reasons we may not be able to.'

The terms go on to give situations where payment requests may not be fulfilled. One such situation – relevant to this complaint – is:

'You haven't given us any extra information about the payment that we've reasonably asked for.'

HSBC's fraud prevention system is complex, and its algorithms haven't been shared for good reason. To do so would allow fraudsters to circumnavigate the measures put in place to protect HSBC's customers. In this case, one of Mrs M's payments tripped the fraud

prevention system, prompting HSBC to stop the payment attempts until Mrs M could provide the information HSBC needed to allay its concerns.

HSBC's records show it attempted to contact Mrs M shortly after the block was placed, asking her to call. So I'm satisfied HSBC attempted contact with Mrs M at the earliest opportunity to discuss the concerns it had with the payment, thereby requesting information about it.

Given HSBC's explanation to Mrs M around why her payment was stopped for further checks, I don't think it would be fair to HSBC for me to say the block shouldn't have been applied. From the information I have, Mrs M's payment attempt was blocked on two occasions, but I don't think HSBC necessarily did anything wrong here. It has told Mrs M its fraud prevention methods also cover payments to beneficiaries which its customers previously confirmed they intended to pay, and regardless of whether previous payments to the beneficiary had passed its checks.

Businesses are allowed to take steps to prevent fraud, and the blocks HSBC placed were intended for this purpose. During the calls, Mrs M was asked several questions which related to the reason for the payment and the account's use. This is something I'd generally expect a financial business to do where it has concerns over the safety of its customer's account or funds, so I can only conclude the information requested by HSBC was reasonable and reasonably asked for – as set out in its terms. Because of this, I don't think HSBC has done anything wrong in this regard either.

Miss R told HSBC that, due to the time difference, Mrs M wasn't able to get in touch with HSBC quickly, following its text message. This led to Mrs M's online banking facility being blocked.

Time is a critical factor when fraud is suspected, and so businesses often restrict accounts quickly where their customers haven't – for whatever reason – acted on their requests for contact. If Mrs M *had* been a victim of fraud, failing to block the account in good time could have had serious consequences for her account. So whilst I understand Mrs M's frustration, I don't think HSBC acted unfairly to restrict the account on either of the occasions it did, until it could ascertain the nature of the payment.

I've also considered the speed with which the blocks were removed. During Miss R's call with HSBC – the first of the two calls I have – the agent asked her some questions about the payment and account. Once he was satisfied that the payment was genuine and intended, he told Miss R that the account would be unblocked in around 10 minutes. A similar process was followed during the second call, though that call ended with the agent manually processing the payment for Mrs M. Based on this, I'm satisfied that the blocks were lifted in a reasonable amount of time.

During the first call, Miss R said she would like for the agent to put the payment through, but this wasn't done.

The first agent wouldn't have known the subsequent payment attempt would also flag to HSBC's fraud detection systems. Indeed, Mrs M has complained she was told no further blocks would be applied – though I haven't heard this mentioned in the calls I have on file.

But whilst the agent wouldn't have known there would be further problems, and they were under no obligation to process the payment, it's something that's generally done as a matter of course, especially where the customer requests it during the call – as Miss R did. And so I might have expected the first agent to have processed the payment during the first call.

HSBC has offered £75 to Mrs M to make up for its failure to manually process the payment during that first call. As mentioned, that call was between HSBC and Miss R, not Mrs M (who is the complainant in this case, and the individual I must consider impact to). And based on what I understand of the impact to Mrs M, I think this amount is a fair way to settle this complaint.

I say this because had the agent put the payment through as asked, Mrs M wouldn't have needed to reattempt it, and so the account would likely not have been blocked again shortly after for this payment. But, as mentioned, when the account was blocked again, the second agent Miss R and Mrs M spoke to was able to unblock the account quickly, allowing Mrs M to continue her use of the account.

Given the relatively short period of time Mrs M was without access to the account, I don't think I could fairly ask HSBC to pay anything more than £75.

My final decision

My final decision is I direct HSBC UK Bank Plc to pay Mrs M £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 13 November 2024.

James Akehurst
Ombudsman