

The complaint

Ms N has complained HSBC UK Bank plc won't refund her for debit card transactions she made under duress.

What happened

In May 2024 Ms N contacted HSBC. She'd been the victim of a social media scam. This had encouraged her to buy gift cards at a local supermarket for individuals and had led her to believe she'd be reimbursed. She was also then threatened to make sure she made payments using an international payment scheme to these individuals' accounts.

HSBC wouldn't refund her. After initially refunding £667.65 in May, they reversed this refund at the end of June. Their evidence showed Ms N had authorised these transactions so under the relevant legislation there was no requirement on them to refund her. Ms N felt HSBC had misled her into thinking she would be refunded.

Ms N brought her complaint to the ombudsman service.

Ms N told us how distressed she was about what had happened, and she expected HSBC to provide her considerable compensation as they knew of her vulnerabilities and how events like this triggered her mental health situation. She also confirmed to our service that she's been the victim of domestic violence.

Our investigator reviewed the evidence HSBC provided as well as Ms N's detailed input. He felt the evidence was clear in showing that Ms N had authorised the transactions. Despite her testimony about being the victim of a scam, our investigator didn't think he could ask HSBC to refund Ms N.

Very unhappy, Ms N has asked an ombudsman to consider her complaint.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Ms N's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

To help me come to a decision, I've reviewed the evidence HSBC provided as well as what Ms N has told us. I can assure Ms N I've noted the numerous phone call conversations she's had with HSBC about what happened. I understand how much of an impact this has had on her.

There's no real issue that Ms N authorised all of the disputed transactions. I say this because Ms N's own testimony has explained how she made the card transactions under duress. Under the PSRs I have no option but to confirm she authorised these transactions. HSBC's evidence showed the genuine card and PIN was used for some of these too.

I've also reviewed Ms N's concerns about the direct debits she believes HSBC cancelled without her authorisation. Unfortunately for her this isn't the case. HSBC shared with us copies of phone calls Ms N had made to them. I believe these confirm she asked for those direct debits to be cancelled. It's clear from HSBC's historical case notes that Ms N had made many direct debit indemnity claims previously as well.

It's obviously up to HSBC whether they decide – on the basis of goodwill – to refund customers where there is no requirement to do so. However, based on the history of Ms N's relationship with HSBC, I understand why they wouldn't be prepared to do this. Ms N has made more than five claims for fraudulent transactions in the previous three years. HSBC will have expected Ms N to take better care of her card security and I'm pretty positive they will have provided her with advice about how to do this.

I also know – from phone conversations and customer notes shared with us – that HSBC has had concerns about Ms N's attitude towards their staff. I appreciate the emotion stirred in her by what happened but the distress she feels isn't HSBC's fault. Ms N has variously asked for compensation between £6,000 and £60,000. I think this is highly unrealistic. I know about the difficulties in Ms N's personal life but I can't ask HSBC to compensate her for those issues.

There were some small service issues in the interaction between HSBC and Ms N. For example, HSBC weren't always sure exactly where to refer her complaint and this may have meant Ms N felt they didn't care about what happened. Unfortunately, Ms N told HSBC at least two different stories about what led to her making these transactions. I don't think it would be fair to expect them to do more here.

Overall I won't be asking HSBC to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Ms N's complaint against HSBC UK Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 21 March 2025.

Sandra Quinn
Ombudsman