

The complaint

Mr L's complaint is about two mortgage accounts he holds with HSBC UK Bank Plc. Mr L is unhappy that HSBC put a block on the accounts, which meant that a payment he made on 4 February 2024 wasn't credited to the accounts until 8 February 2024.

To settle the complaint, Mr L would like HSBC to compensate him for the time, trouble and upset caused to him.

What happened

I won't set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat all the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr L being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

In January 2024, inadvertently, a block was put on Mr L's mortgage accounts by HSBC. As a result, Mr L's payment to his mortgage accounts made on 4 February 2024 didn't go through. Mr L learned about this on 6 February 2024 and contacted HSBC over the next few days.

Unfortunately, Mr L was given conflicting information, which was that he'd need to make a manual payment to the mortgage each month and that the full mortgage balance would need to be repaid. Both these statements were incorrect, which HSBC has since acknowledged.

However, within a short period of time – by 8 February 2024 – HSBC had corrected the error and removed the block on the account. In response to Mr L's complaint, HSBC issued its final response on 15 February 2024. The bank apologised for placing a block on the mortgage accounts and for the customer service issues. HSBC confirmed Mr L's direct debit was in place for his mortgage accounts. The bank offered £200 compensation for distress and inconvenience.

Mr L didn't accept that and raised his complaint with our service, because he thought a payment of £1,500 would be fairer, based on the time he'd had to spend that week trying to resolve the matter, and because HSBC's actions had resulted in him suffering "*grief*".

An Investigator looked at what had happened, but didn't recommend the bank should do anything more. Mr L disagreed and asked for an Ombudsman to review the complaint. He's reiterated the points he initially made about the time he'd had to spend on sorting the issue out, and the "*grief*" he's suffered.

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 will explain first that the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality. It's up to us to determine what evidence we need in order to investigate a complaint and the weight we attach to the evidence.

I confirm I've listened to all the call recordings provided. As the Investigator explained, not all Mr L's conversations with HSBC were recorded over the period 6-8 February 2024. However, I'm satisfied that there is sufficient information available to enable me to determine this complaint.

HSBC has already accepted it made a mistake in placing a block on Mr L's mortgage accounts on 4 February 2024. The error was corrected within a few days, and I see that by 8 February 2024 HSBC had confirmed the payment had been located and would be credited to the accounts shortly. HSBC also acknowledged that Mr L had been given incorrect information when he spoke the bank's call centre staff in the Philippines – both about having to make manual payments, and about needing to repay the mortgages. HSBC apologised for this, and offered £200 compensation.

Therefore the only issue I need to decide is whether HSBC has done enough to put things right, or whether there is more that the bank needs to do.

Putting things right

I've taken careful note of everything Mr L has said about the upset and "*grief*" he suffered over the four days from when he first became aware of the block to when HSBC resolved the issue. Mr L also says he spent 25 hours on the phone with HSBC trying to sort things out during that period.

The calls the bank has provided – which I believe cover the majority of the conversations Mr L had with the bank – do not add up to that amount of time, but I accept that Mr L wasn't able to get through on some calls he made. I also note that calls he made to the bank's call centre in the Philippines weren't recorded, so there was additional time he spent on those calls.

I fully understand that those four days from 4 February 2024 when the payment was blocked to 8 February 2024 when HSBC confirmed the payment had been credited were very worrying for Mr L, because he thought his mortgage payment hadn't gone through and that this would impact his credit file. Mr L was also caused upset by the incorrect information he'd been given by the Philippines call centre.

Once HSBC realised its error, it quickly put matters right and apologised to Mr L.

It is, of course, appropriate that HSBC compensates Mr L for distress and inconvenience. However, our awards of compensation are not intended to be punitive, and we don't award damages in the same way that a court would.

Mr L has told us that he would like £1,500 compensation. However, I'm not persuaded that this is reasonable, given that HSBC resolved the matter within a few days of being made

aware of it. Overall, given the period of time over which the events giving rise to the complaint occurred, I think the £200 HSBC has already offered is fair, reasonable and proportionate in all the circumstances of this case.

My final decision

My final decision is that HSBC UK Bank Plc must pay Mr L £200 compensation for distress and inconvenience. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 November 2024.

Jan O'Leary
Ombudsman