

The complaint

Mr M complains about the customer service he received from HSBC UK Bank Plc when he asked for a transfer from his credit card account to his savings account.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead I'll focus on giving the reasons for my 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 agree with the conclusions reached by the investigator for the reasons I've outlined below.

HSBC has accepted it gave Mr M incorrect information and he didn't receive high quality service. It offered him £100 in compensation which Mr M didn't accept. So it's left to me to decide what level of compensation is fair and reasonable.

The terms and conditions of Mr M's account state:

"You must try not to pay more than you owe us into the account. If you do, we may refund any amount that's a credit on your account (e.g. if you owe us £200 and you pay £220 into the account, we'll refund £20). We won't normally allow you to spend it."

Mr M paid in excess of £13,000 into his credit card account. Having agreed to abide by the terms and conditions of the account when he opened it Mr M was aware or ought reasonably to have been aware that any such credit would be refunded to the account it came from. I'm satisfied the phrase *"we won't normally allow you to spend it"* would likely include preventing a transfer to a savings account as that would constitute 'spending'.

I can see there was a delay in returning the money and it was eventually returned just over one month later. HSBC has said it needed to conduct checks before allowing the money to be returned. The purpose of credit cards is to provide credit so a deposit forcing the account to present a large positive balance would not be expected. In such circumstances businesses must apply due diligence and fulfil their regulatory requirements. Mr M has said he's been prevented from purchasing an item for profit. I understand Mr M's frustration but I'm not persuaded HSBC has done anything wrong by taking the time to make checks and by returning the money rather than forwarding to Mr M's savings account. It wasn't under any obligation to transfer the money to the savings account.

Mr M has said, and HSBC has accepted that it gave incorrect information on more than one occasion, relating to what was being done to move the money out of the credit card account. It did at one stage tell Mr M that it wasn't able to provide a definitive timescale because the situation was rather unique due to the amount the account was in credit by. I've seen copies

of emails and calls between Mr M and HSBC during the time he was trying to access the money and I'm persuaded the situation was very frustrating for him as he was given incorrect information and it wasn't clear at what point the money would be transferred or returned. HSBC offered Mr M £100 in compensation, and I agree with our investigator that it should go further. A total of £250 is fair and reasonable and what I would expect in the circumstances.

Mr M said the money was going to be used to purchase an item he was going to flip for profit of around £5,000. The money was credited to a credit card account, the terms and conditions of which allowed HSBC to return the money to the originating bank, so it wouldn't be fair or reasonable for me to hold HSBC responsible for any potential investment loss.

Mr M told this service that when the money was finally deposited back into the original bank he had problems locating it. HSBC told this service it has set up a separate complaint regarding this so they have the opportunity to investigate it.

Putting things right

To put things right HSBC UK Bank Plc must pay Mr M a total of £250 compensation.

My final decision

My final decision is that I uphold this complaint and HSBC UK Bank Plc must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 October 2024.

Maxine Sutton
Ombudsman