

## **The complaint**

Mrs J complains that HSBC UK Bank Plc (“HSBC”) failed to refund an unsuccessful cash machine withdrawal.

## **What happened**

Mrs J used her HSBC card to withdraw £250 from an automated teller machine (ATM) that was operated by a different bank. Mrs J said that the ATM returned her card and the cash appeared in the dispensing tray, but before she could take it, the ATM withdrew the cash back into the machine.

Mrs J spoke with the security at the location she was at and called HSBC about the problem. Mrs J said she remained at the ATM for some time to check the ATM didn’t dispense her funds. Nothing was received from the ATM.

HSBC provided a temporary refund to Mrs J while they looked into what had happened. HSBC contacted the operator of the ATM and received information from them showing the transaction was successful.

Mrs J was informed about this and told the temporary credit would be reclaimed at a later date. Mrs J continued to deny receiving any funds and wanted CCTV at the site to be reviewed, believing the ATM may have dispensed her funds later that day. Mrs J lodged a complaint about HSBC’s decision to deny her a refund. Mrs J also believed HSBC had delayed their complaint investigation.

HSBC considered Ms J’s complaint but didn’t change their original decision and continued to deny her a refund. Mrs J was left unhappy with HSBC’s outcome and brought her complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into what had happened and both parties were asked to provide information.

Mrs J was able to confirm her version of events and continued to insist she hadn’t received the funds which had left her in a difficult financial position.

HSBC provided details they’d received from the operator of the ATM and information about their own investigation.

After reviewing the evidence, the investigator asked for additional details concerning the balancing of the ATM. HSBC provided this information, showing that the ATM balanced. The “journal roll” ( a record of the activity at the ATM) showed the withdrawal had been successful and that Mrs J had re-entered her card to obtain a further £250 which was declined due to insufficient funds.

The investigator concluded that the evidence showed the withdrawal was successful, so it wouldn’t be fair to ask HSBC to make a refund or take any further action.

Mrs J disagreed and remained of the opinion that there was a fault with the ATM and HSBC

should refund her. Mrs J believed the CCTV at the ATM location would show what happened. Mrs J wanted a further review of her complaint.

As no agreement could be reached, the complaint has now been passed to me for a 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.

It's clear from Mrs J's communications that she's both disappointed and frustrated with the outcome of this complaint. She strongly believes that the ATM wasn't operating properly and that the funds she withdrew weren't provided to her, possibly being dispensed later.

I know she wanted the CCTV to be reviewed, but here there hasn't been any submitted for me to review. I don't think it was unreasonable for HSBC to rely on the audit data they were provided with by the operator of the ATM, and I wouldn't ordinarily expect them to try and request CCTV footage, particularly when they didn't operate the ATM themselves.

The Payment Service Regulations 2017 (PSRs) are relevant to Mr J's complaint. They say that:

*75.—(1) Where a payment service user—*

*(b) claims that a payment transaction has not been correctly executed,*

*it is for the payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the payment service provider's accounts and not affected by a technical breakdown or some other deficiency in the service provided by the payment service provider.*

What that means for this complaint is that HSBC are required to show the transaction wasn't affected by a breakdown or other deficiency.

ATM's have a number of systems that provide audit information about their operation. I've reviewed two such reports generated from the machine. The journal roll gives a detailed list of actions taken by the ATM, including whether the card was returned, what cash was presented and if it was then taken. There are also details of how many of each denomination made up the withdrawal request.

For Mrs J's first withdrawal, this showed 12 x £20 and 1 x £10 note were dispensed and removed from the ATM. The details on the journal roll indicate there was no issue at the time of the withdrawal request. There was a second request for the same amount less than a minute later which was declined due to insufficient funds.

I've also reviewed other transactions both before and after Mrs J used the ATM and these appear to have been successful. The ATM operator also provided details of when they balanced the machine which took place several days later. Those figures show the ATM had the expected amount of funds left in it and the "countback" by the company that collects the funds matched the expected figure. Additionally, the audit shows there were no "suspect reversals" indicating it had been operating properly during this period.

If the ATM had malfunctioned, I'd expect the audit to indicate this, either in a message to say the cash hadn't been dispensed or if it was dispensed much later, the timings would likely

show this. Here they don't, the timings indicate the withdrawal happened in line with a normal successful withdrawal.

Overall, the evidence shows the withdrawal was, more likely than not, successful, so I don't think it would be fair or reasonable to ask HSBC to make a refund. I know this will be disappointing news to Mrs J, but unfortunately there's nothing to indicate the ATM was malfunctioning when she used it.

I've also considered the issue of the delayed complaint process. It's apparent that Mrs J thought she'd complained to HSBC earlier than when they eventually recorded it. I don't think that HSBC appreciated that Mrs J was complaining at this point, rather they were still dealing with the dispute about the ATM withdrawal itself. They did register her complaint shortly afterwards and issued their final response within a reasonable amount of time. I don't think HSBC acted unfairly here, so I won't be asking them to do anything.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 27 December 2024.

David Perry  
**Ombudsman**