

The complaint

Miss S has complained HSBC UK Bank plc won't refund her for a transaction made on 23 March 2024. She's also concerned HSBC made no effort to get her funds back.

What happened

In 2024 after making a transfer of £3,500 from her HSBC savings account to her HSBC current account using her mobile app, Miss S noticed that a transaction was made which she says she didn't authorise. This was for £3,500 to a third party with the narrative "*clothing*" on her bank statement.

Miss S contacted HSBC and asked them to refund her. They responded quickly but wouldn't refund her as their evidence showed it was most likely she'd made this transaction herself.

Miss S brought her complaint to the ombudsman service.

Our investigator reviewed the evidence taking into account Miss S's testimony. However, he found HSBC's evidence convincing and felt it was most likely Miss S had made the disputed payment herself.

Distressed by this outcome, Miss S has asked an ombudsman to consider her complaint. She didn't understand why HSBC had taken no action to try and recoup her lost £3,500.

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 Miss S'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. There are exceptions to this and that would include if the customer had acted with gross negligence or intent to allow any security details – including the card and PIN – to be used by someone else.

To help me come to a decision, I've reviewed the evidence HSBC provided as well as what Miss S has told us.

I note HSBC has provided no evidence to suggest Miss S acted in a grossly negligent manner. Nor do I think this is the case.

I believe Miss S made or authorised the disputed mobile banking transaction. I say this because:

- On 22 March Miss S received £2,500 from a friend with the narrative "*holiday*". She transferred this into her savings account.
- HSBC's evidence shows Miss S logging onto her mobile banking app on 23 March at 19:51:11. Face ID is used so I'm certain this was Miss S herself. At 19:51:32 Miss S transfers £3,500 from her savings account into her current account. At 19:53:13 a new payee is set up using Miss S's mobile app. Within a minute at 19:54:07 a payment of £3,500 is set up to this new recipient with the narrative "*clothing*". All of the data related to these transactions match those of Miss S's normal account usage, including the IP address.
- Miss S accepts she transferred money from her savings account into her current account. Whilst I accept that unauthorised transactions can and do occur, I can't see how any unknown third party would have known Miss S had sufficient funds within her current account to then set up a new payee and transfer funds.
- I also don't understand why an unknown third party would have targeted Miss S. Looking at her current account transactions over a prolonged period, it's clear that there were rarely large amounts in her account. Any payments from her parents or friends would generally get used by card transactions or transferred into her savings account.
- I think it's very likely Miss S isn't being completely truthful about what went on. This may be perhaps as she feels embarrassed about sending money to someone who conned her into doing so. I know Miss S says she's not a victim of a scam, but I think there's more here than she's been willing to tell us.
- I know she's upset as she feels HSBC did little to help. She believes they responded too quickly to have properly investigated what happened. However, I can see why they found the evidence of her mobile bank app usage conclusive.
- Miss S also believes HSBC should have tried to recoup her funds. Unfortunately, she didn't report what happened to HSBC until 14:25 on 27 March. I can see she logged onto her account regularly over the four days after the disputed transaction. As this was such a large amount – compared to Miss S's other transactions – I think she'd have been aware immediately about this if it had been truly unauthorised.
- I think there's every likelihood that there would have been no funds left in the recipient account by the time Miss S contacted HSBC. I also note that because Miss S disputed she authorised the transaction, there's no requirement on HSBC to try to get back her money.

I appreciate Miss S will be severely disappointed in this outcome but based on the evidence I've seen, I'm not in a position to ask HSBC to refund her. I believe there's sufficient evidence to show Miss S made or authorised this transaction.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 20 March 2025.

Sandra Quinn
Ombudsman