

The complaint

Mrs S complains HSBC UK Bank plc (HSBC) made mistakes delivering her replacement credit card, which caused her extreme inconvenience and financial loss.

What happened

Mrs S's legal representative Miss F, says in late March 2024, Mrs S requested a replacement credit card following a fraud alert. Mrs S organised for the replacement credit card to be delivered to one of the branches offered by HSBC, but when she arrived at the branch it was closed for refurbishment and a poster at the branch said it was operating from the local library on certain dates. Mrs S says she attended the library but was told it didn't have her replacement credit card.

Miss F says Mrs S then arranged for a new card to be sent to another branch, but despite several visits to that branch the card didn't arrive until 10 May 2024. Miss F says that during this time Mrs S who has poor health, underwent considerable inconvenience and as a direct result of the delay incurred legal costs, a parking fine and a loss of pension income following a divorce.

Mrs S wants HSBC to compensate her for her financial loss and inconvenience and didn't feel HSBC's initial offer of £150 in compensation went far enough to cover what she had been through.

HSBC says it has apologised that it didn't realise the branch the initial credit card was sent to was closed for refurbishment. HSBC says it had issues reordering the replacement card due to a block on the credit card account and accepts it should have made that clearer to Mrs S at the time, which could have avoided Mrs S's multiple visits to the branch. On review HSBC says it was prepared to increase its offer of compensation to £250 to settle matters.

Mrs S wasn't happy with HSBC's response and compensation offer and referred the matter to this service.

The investigator looked at all the available information and upheld the complaint but felt the increased offer of compensation of £250 was fair.

The investigator agreed that Mrs S had been put to inconvenience but didn't support the request for substantially higher compensation for the legal fees, pension income or parking fine.

The investigator says there was no evidence to show Mrs S had incurred any fines or costs because of the delay in paying the legal costs of her divorce and this could have been settled by way of bank transfer. The investigator says there was also no evidence to suggest the pension income from the divorce settlement would have been paid any sooner had the outstanding legal bill been paid earlier. The investigator says as Mrs S hadn't been sent a message to collect the credit card from HSBC, she couldn't hold it liable for the fact Mrs S took it upon herself to visit the branch to check if it had arrived, as she could have phoned the branch first.

As far as the issue concerning the activation of the credit card, the investigator says she has seen evidence to show the card was activated by Mrs S when she logged on to her mobile banking app on 15 May 2024 and not by the branch staff as suggested.

While the investigator felt Mrs S had experienced worry and stress over this matter and had clearly been inconvenienced, she felt HSBC's increased offer of £250 was fair in the circumstances.

Mrs S didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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 will also be upholding this complaint and I will explain how I have come to my decision.

I was sorry to learn of Mrs S's health issues and can understand the delay in receiving her replacement credit card from HSBC would have been inconvenient for her. When looking at this complaint I will consider if HSBC have fairly compensated Mrs S for the trouble and inconvenience this matter has caused her.

Mrs S has provided this service with comprehensive details of the course of events here along with documentation relating to Mrs S's claim for higher compensation and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything said – I have. But it's just that I don't need to comment on each individual point in order to reach a decision on what's fair and reasonable.

The first thing to say here is HSBC have agreed it could have dealt with the delivery of the replacement credit card more efficiently and subsequently agreed to increase its initial offer of compensation of £150 to £250, taking into account the number of branch visits Mrs S made.

Mrs S doesn't feel this offer goes far enough and says she has incurred additional legal fees, a parking fine and as a direct result the pension income from her divorce settlement was delayed, let alone the inconvenience she experienced over this matter.

While I understand the points Mrs S makes, and without trying to minimise the frustration and upset this matter would have undoubtedly caused her, I'm not fully persuaded HSBC are responsible for the other costs she says she has incurred.

I say this because there's no evidence to suggest the delay in paying her legal fees, whilst frustrating for her, resulted in any other fines, interest or additional legal costs. It's also not clear why Mrs S didn't make this payment by other means, for example requesting HSBC to make the payment from her credit card account.

It's reasonable to say as mentioned by the investigator, there's no evidence to support the claim the delay of the payment for the solicitor's bill also affected the resolution of the pension payment, due to her following her divorce. So, with that in mind I can't say HSBC are responsible for any issues Mrs S faced regarding this matter.

Mrs S has also provided details of a parking fine she incurred which she says was due to

being delayed during one of her branch visits, however this appears to be due to the fact Mrs S chose to visit the HSBC branch to check if the card had arrived and not because HSBC had asked her to do so. So, it would be unfair of me to ask it to pay this fine as that was a decision Mrs S took.

Mrs S has in addition, made the point the credit card she collected in mid May 2024 from the local branch had already been activated without her agreement. While I understand that Mrs S feels strongly about this, from the back-office records provided to this service by HSBC, it shows the card was activated by Mrs S on 15 May 2024 when she logged into her banking app and not any earlier from when it was delivered to the branch on 10 May 2024. So, on balance it's reasonable to say in all likelihood that the HSBC branch staff hadn't activated the credit card as Mrs S thought.

It's also worth saying here it's not my role to penalise or punish banks when problems like this occur but to ensure it apologises for any mistakes, puts matters right and pays a proportionate amount of compensation and I'm satisfied on balance it has done that here.

While Mrs S will be disappointed with my decision, I feel this is a fair outcome here.

Putting things right

I instruct HSBC UK Bank plc to pay Mrs S £250 for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint.

I instruct HSBC UK Bank plc to pay Mrs S £250 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 23 October 2024.

Barry White
Ombudsman