

## **The complaint**

Miss S complains HSBC UK Bank Plc blocked her credit card and charged her additional interest when it shouldn't have done so.

## **What happened**

Miss S has a credit card account with HSBC.

On 2 September 2023 Miss S called HSBC to find out why her credit card kept on being declined as she didn't believe she wasn't over her credit limit. HSBC said that there was a pending transaction on her account for over £3,000 and because of this she was over her credit limit. Miss S complained saying that the transaction was a duplicate.

HSBC looked into Miss S's complaint and, in summary, said that there was a pending transaction on her account for over £3,000 and that until the merchant claimed payment or the transaction dropped off there was nothing it could do.

Miss S was unhappy with HSBC's response – and the merchant in question's – so she complained to our service. We explained that we could only look into HSBC's actions. Having done so, our investigator said that they didn't think HSBC had made a mistake here, so they couldn't recommend the complaint be upheld.

Miss S wasn't happy with our investigator's recommendation and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

## **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 can see that Miss S stayed at a hotel for three days and used her HSBC credit card to make the booking. The hotel asked HSBC to pre-authorise the reservation – for £3,176. The final bill was slightly less than this – it was for £3,075.25 – and I can see that this amount was posted to Miss S's credit card a couple of days after she paid the final bill. Despite having done paid the final bill, I can see there was still a pending transaction on Miss S's account for £3,075.25. Had that pending transaction not been there, I'm satisfied that Miss S would have been comfortably inside her credit limit meaning she would have been able to carry on using her credit card in the way she normally does. Unfortunately for Miss S that wasn't the case meaning she ended up unknowingly going over her limit. Miss S didn't discover she was over her limit until she called HSBC to find out why her credit card kept on getting declined. I accept that getting declined must have been uncomfortable, embarrassing and inconvenient to say the least for Miss S.

I can see that HSBC explained to Miss S when she called why she was over her limit and that the pending transaction was likely to remain on her account for 30 days. I can see too that HSBC explained only the hotel – in other words, only the merchant – could cancel the pre-authorisation. Importantly, I can see that HSBC tried to help Miss S get the pre-

authorisation cancelled – including giving details of what it could see on its systems – but the merchant said it couldn't locate the transaction meaning it wasn't able to cancel it.

Given everything I've just said, I agree with our investigator that HSBC didn't make a mistake here – it was asked to pre-authorise a transaction, which it did to make sure Miss S had money in the event that the merchant who asked for pre-authorisation made a claim, and only the merchant could have cancelled that before it dropped off. HSBC tried to help Miss S get this done, but this was ultimately unsuccessful.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 22 April 2025.

Nicolas Atkinson  
**Ombudsman**