

The complaint

Ms H complains about a failed cash withdrawal from her account with HSBC UK Bank Plc (HSBC) at an ATM at another bank.

What happened

On 12 August 2024 at 11.14am, Ms H visited a branch of another bank to make a cash withdrawal of £210 from her HSBC account, using her HSBC debit card. She had used the ATM at the branch of the other bank (which I call 'bank A') regularly before.

The withdrawal failed and Ms H's card was retained. The ATM response was 'transaction denied'. Ms H's account wasn't debited with the amount. Ms H couldn't understand why. The manager of bank A said to her there wasn't a problem with the ATM machine; and looked at her HSBC card which hadn't expired. He said she should contact HSBC – which she did.

A new card was ordered by HSBC but the bank said this could take up to seven days to arrive.

Ms H complained. She said:

- As a result of what happened, she was left without a debit card and no money. She couldn't do any shopping and had no food until a new card arrived.
- She had been humiliated in the branch of bank A.
- She had to spend a very long time in contact with HSBC to try to resolve matters – she sent three hours typing and communicating with various agents on the app and on online banking.
- That evening, HSBC called her and said the fault must have been with bank A's ATM, and offered compensation of £50, which she declined.
- She was left with the situation whereby both banks said it wasn't their fault. She says she should be able to access her money without this sort of disruption to her life.

HSBC's response: HSBC emailed Ms H on 12 August 2024. The bank showed her details of the failed transaction and said when a card is retained, it was usually due to the card being damaged or a 'glitch' in the machine. On this occasion, it looked like there was a problem with bank A's ATM. HSBC apologised for the poor service she got when she contacted the bank and offered compensation of £50 for that. Ms H declined to accept that.

HSBC then looked into the service Ms H had received and wrote to her on 16 August 2024. The bank apologised for the service she had received on the calls and live chat service. She had been placed on long holds or transferred to another agent without the new agent being briefed on her problem – so she had to repeat her issues again each time. There had also been delays on the live chat service responding to Ms H. For the service failings, HSBC paid compensation of £100.

Ms H didn't accept this – but the money remains in her account.

Ms H brought her complaint to us. Our investigator investigated what happened and said HSBC didn't need to do anymore to settle Ms H's complaint, and the payment of £150 was fair. She said HSBC found there were no blocks on Ms H's card; the only possible explanation was a problem with bank A's ATM. She found no errors made by HSBC.

Ms H didn't agree and asked that an ombudsman look at her complaint. She said (in summary):

- HSBC were at fault for not allowing her lawful access to her money.
- She went without money or food for five days.
- There still wasn't an explanation as to why the transaction wasn't successful.
- HSBC must be held responsible and liable for what they did. It is clear it must be HSBC's responsibility – as the bank didn't allow the withdrawal to be made.
- HSBC have only paid £100, not £150.

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.

At the outset (having seen Ms H's comments to our investigator), I'd like to say that we are not a consumer group – we are an informal complaint resolution service. We are not a consumer group acting for (in this case) Ms H. We are independent and impartial and our role is to listen to both sides of a complaint, take evidence from both parties, and then decide on a fair and reasonable outcome. It's important to bear this in mind here.

The crux of Ms H's complaint is that she suffered a lot of inconvenience because of her card being retained in bank's A's ATM. She says it must be HSBC's fault. As I've said (as did our investigator), we make decisions based on the evidence we see. And HSBC have shown us that it wasn't caused by anything the bank did – there wasn't a block on Ms H's account or card, the card hadn't expired, and I can see Ms H had enough money in her account on the day in question - £1,419 credit.

So, it's clear to me that the declined withdrawal wasn't caused by anything HSBC did. So, in this case, Ms H's card may have been damaged; or there must have been a fault or issue with bank A's ATM – and while Ms H won't agree with this, it is what the evidence shows and is the conclusion we are left with.

In cases such as this we look to see if Ms H was given any help or alternatives by HSBC. And I can see that one agent offered to help her set up her card on a 'digital wallet'. That is, HSBC could've helped her add her card to her phone and she could've used that to pay for shopping using her debit card on her phone (e.g. using 'apple pay' or 'google pay'). But she didn't want to do that – but I note that HSBC did try to help her.

I can also see that Ms H withdrew cash from her account on 16 August 2024 – so it looks like the replacement card reached her on day four, which was slightly better than she thought might be the case. That said, I acknowledge that at the time she was told it may take up to seven days (which HSBC said to take account of the post) which caused her the concern at that time.

Looking at the service Ms H received, HSBC have apologised for what happened when she contacted the bank by live chat and online. I can see there were delays in the agents responding, and when Ms H was passed to other agents, she had to explain her problem over again. To be fair to HSBC, the bank has acknowledged this and agreed to pay compensation of £150. Of this, £100 has been paid. Ms H has rejected this offer.

I accept that Ms H had a frustrating experience and can see how upset she was as a result. I need to decide on a suitable level of compensation for the poor service she received. Our criteria for deciding awards is set out for customers at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

Taking this on board, I'm satisfied that what HSBC have paid or offered is the right amount and what we would expect to see. So in this case, my decision is that HSBC don't have to do any more than they already have - but the bank should now pay the outstanding amount of £50 to Ms H.

My final decision

HSBC UK Bank Plc has already made an offer to pay £50 (in addition to the £100 already paid) to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC UK Bank Plc should pay £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 8 January 2025.

Martin Lord
Ombudsman