

The complaint

Mr C is unhappy with the service HSBC UK Bank Plc trading as first direct bank (HSBC) provided when he sought their assistance with a refund he was due.

What happened

Mr C made an overpayment using his credit card with another provider. He was due a refund and asked the provider to refund the money to his current account held with HSBC. He was informed the refund was processed on 4 July 2024 and as he hadn't received the refund by 12 July 2024 he called HSBC.

There was some interference on the line during a few of the calls between Mr C and HSBC which made it hard for the advisers to understand what was being said. This happened on separate occasions. But they were eventually able to explain to Mr C that the refund wasn't showing as yet and if it wasn't showing on his account by 19 July 2024, he would need to raise a charge back. The refund credited the account on 19 July 2024.

Mr C was unhappy with the service provided, such as being transferred to different departments and not having a warm handover meaning he needed to explain the issue again and go through verification. He was also concerned staff were talking over him and not being very helpful, so he raised a complaint about it. Around a week later Mr C called HSBC as he was expecting a call from a manager about the complaint but hadn't received one.

A manager called Mr C on 20 July 2024 to respond to the complaint made. They accepted they hadn't provided the best service when transferring Mr C's call, but they had explained the correct process and what Mr C should do if the refund wasn't in his account by a set point in time. They acknowledged the difficulties in finding an appropriate time to speak and explained why. And they credited Mr C's account with £50 by way of apology.

Mr C brought his complaint to this service. HSBC then made a further offer of £75 bringing the total compensation to £125. They accepted things could have been handled more efficiently and they should have updated Mr C sooner. They also acknowledged they had provided incorrect information when they said they had 8 weeks to investigate the complaint and apologised. But Mr C didn't accept this.

Our investigator felt the total compensation of £125 was fair and reasonable taking account of the errors made and considering the delayed refund was out of HSBC's hands. As Mr C disagreed it has been passed to me to decide.

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.

Mr C was told the refund had been processed on 4 July 2024 so I can understand why he was concerned when it wasn't showing in his account by 12 July 2024. It was eventually credited on 19 July 2024, so Mr C had to wait 15 days for the refund, but this wasn't in HSBC's control, and they had explained it could take up to 15 days for a refund to show. I

think this could have been explained at the outset when Mr C first reported it, as opposed to a few calls in. However, there was interference on the line on a few calls which made it hard for the agents to fully support Mr C as they couldn't hear him and engage in conversation properly.

Mr C made multiple calls to HSBC in relation to the issue and it appears his expectations weren't managed in terms of when they would be in touch. If HSBC had been clear about the process this could've been avoided.

Incorrect information was given in relation to the timescales to review the complaint and Mr C didn't always have a warm handover during calls which resulted in him needing to repeat himself. This did cause frustration and distress particularly as there were times where he needed to be verified again and he wasn't in a private area where he felt comfortable disclosing his data.

Overall, I don't think HSBC were responsible for any delays with the refund. But I think they could've provided a better customer service to ensure Mr C was aware of the process and timescales involved at the outset. They also should've managed his expectations better in how they would follow up with his concerns. This would've reduced the level of distress he experienced.

But I'm satisfied the £125 and the apology sufficiently compensates him for the distress experienced. I say this as whilst the first few calls didn't provide adequate information, the interference on the line didn't help. In a reasonable time following this, HSBC did explain the refund process and what Mr C could do if it hadn't appeared in his account by a set time. I can see they also followed up the concerns and provided an explanation to Mr C for why they hadn't called which wasn't unreasonable.

My final decision

My final decision is that HSBC UK Bank Plc trading as first direct bank should pay Mr C an additional £75 to bring the total compensation paid to £125 total for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 March 2025.

Karin Hutchinson
Ombudsman