

The complaint

Mr N complains that HSBC Bank UK plc (HSBC) failed to refund money after a successful chargeback request. He would like the money refunded and compensation for the distress and inconvenience.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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 have reached the following conclusions: -

- Since Mr N raised his complaint with us HSBC has offered to refund the money owing to him with 8% simple interest from 18 January 2024, the date when Mr N's chargeback claim was successful. Mr N accepted this. However, he isn't happy with the £500 offer of compensation for the distress and inconvenience. He doesn't feel this is sufficient.
- As I understand it HSBC closed Mr N's account in December 2023, but Mr N's chargeback requests were successful in January 2024 – after his account had been closed so it would have needed alternative account details to make the payments into.
- I have seen some evidence that HSBC was unable to contact Mr N after the account closure to get relevant bank details to transfer funds to. This would explain some of the delay in making the payments due.
- However, it wasn't clear to me from the information provided why there was such a delay so we asked it for some clarification. HSBC told us it felt there was a breakdown of communication within the bank and a lack of understanding as to what was required. It accepts it should have made the refund much sooner. It's unfortunate when things go wrong, but I think HSBC has been honest in its explanation.
- In terms of the £500 offer of compensation I appreciate Mr N has been deprived of the use of a large sum of money for a significant time. However he hasn't evidenced any direct loss incurred as a result that I could consider so, considering all of the information that I have seen I do think that £500 is appropriate given the circumstances of this complaint.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement HSBC Bank UK plc should: -

- If it has not already done so, refund the payments owing to Mr N with 8% simple interest from 18 January 2024 until the date of payment.
- If it has not already done so, pay Mr N £500 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 17 April 2025.

Bridget Makins
Ombudsman