

The complaint

C is a company. It complains through its representatives that HSBC UK Bank Plc is responsible for the losses it suffered when it was unable to use its next generation virtual accounts management (VAM) tool.

What happened

HSBC provides C with VAM services which allow the company to manage its cash flow and internal accounting in one virtual space. At the relevant time C's accounting department comprised five staff members, each of whom had access to the tool through individual log-ins.

On 2 April 2024 all of those staff members found that they could not access the VAM tool. They were, C says, effectively unable to do their jobs.

C contacted the bank to try to find out what had happened and why access to the system had apparently been blocked. HSBC was unable to explain the position; it had not deliberately prevented C's employees from having access to the VAM service. It concluded that the incident was an isolated one, which I take to mean that it was an issue affecting the system as a whole.

Later that same day, access was restored to three of the accounts staff. They had been locked out of the system for over three hours. Two of the staff remained unable to use the system until 2 May 2024, a month later. In the meantime, colleagues had to share log-ons.

HSBC reviewed what had happened but said that it was unable to identify what had caused the problem. It apologised and offered C £750 in recognition of the inconvenience which had been caused. C however wanted an explanation and additional compensation. It referred the matter to this service.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. She noted that the bank could not provide an explanation for the problems if it did not know what had caused them, and that we were not in a position to require the bank to fix any IT issue which might have contributed.

C did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

It is unfortunate that the bank is unable to explain the reason for the problems from April last year. It is however not unusual that the precise reasons for a technical issue are unknown, but in any event I would not always expect a supplier to go into detail if it were able to provide an explanation. It might assist a customer in avoiding or dealing with future issues, but that's not necessarily the case.

Here, the issue was partly resolved within a few hours, so that C's accounts department could at least carry out some of its necessary operations. I acknowledge of course that it took rather longer to restore full access, but having some access would have enabled C to reduce the overall impact.

Unfortunately, it remains unclear why access was removed. Whilst the bank made an offer to settle C's complaint, it appears to have done so in an attempt to resolve the matter, not because it identified a specific error on its part. It appears too that HSBC actively sought to assist with the restoration of the service, in part by providing guidance to C.

C says that it suffered financial losses of around £5,000 as a result of the issue with the VAM tool. But it calculated that loss by taking the gross annual salary of each employee affected, working out their hourly rate (based on 52 weeks of 37.5 hours each) and multiplying that by the number of hours for which they had no or limited access. But in my view that calculation bears little or no relation to any loss of profit which might have been caused.

It is in fact virtually impossible to show what loss, if any, might have flowed from an IT issue of this type. So, even if I were of the view that the issue was the result of an error on the part of HSBC, I would take the view that its offer of £750 was reasonable in the circumstances. I therefore simply leave it to C to decide whether it is prepared to resolve the matter on that basis.

My final decision

For these reasons, my final decision is that I do not uphold C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 26 August 2025.

Mike Ingram

Ombudsman