

## **The complaint**

Mr J complains that HSBC UK Bank Plc trading as first direct has declined to refund disputed transactions made from his account.

## **What happened**

In September 2024, Mr J opened a current account with first direct and paid £2,000 into it, wanting to take advantage of a new customer incentive.

Mr J says he didn't receive the debit card or Personal Identification Number (PIN) for the account, and on 14 October 2024, he discovered that the £2,000 had been withdrawn by an unknown individual over a four-day period.

Mr J contacted first direct to report the transactions as fraudulent and asked it to refund the money. But the bank didn't think it was liable for his loss. Unhappy with this, Mr J raised a complaint.

In response, first direct said:

- The card and PIN were sent in separate envelopes on different days, so they would never arrive together.
- It was unable to explain how the disputed transactions could've taken place.
- It wouldn't be treating the disputed transactions as fraudulent or refunding the money.

Mr J remained unhappy and referred a complaint to this service where it was considered by one of our investigators. She believed that the disputed transactions had been authorised by Mr J, and therefore first direct was entitled to hold him liable for them.

Mr J disagreed and reiterated that he didn't make the transactions, had had issues with his post and had reported the matter to the Police. He said our investigator's opinions should not be the basis for him not to be covered by the relevant regulations surrounding unauthorised transactions.

As no agreement could be reached, the complaint 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.

Having done so, I agree with the conclusions reached by the investigator for reasons I set out below.

The regulations relevant to this case say that generally speaking, a bank is entitled to hold a customer liable for authorised transactions, and the bank is liable for unauthorised ones. And

I've taken that into account when deciding what is fair and reasonable in this case.

When Mr J opened this account, he transferred £2,000 into it a few days after it was opened. He says he did this to take advantage of a new customer incentive, which required a certain amount of money in the account to qualify.

I'm satisfied that once the account was opened, first direct sent the card and PIN in two different envelopes to Mr J's registered address in London. I disagree with first direct that it's not possible for the two envelopes to arrive at his address together. first direct has no control over the postal service, and even if the two letters were sent on separate days, it cannot say that they would *never* arrive together on the same day. I note Mr J says he had been having trouble with his post and has shown us that he made contact with Royal Mail about this, however in the circumstances of this case, I'm satisfied it's more likely than not that both letters *were* delivered successfully to Mr J's address.

I say this, because the evidence available suggests that if the disputed transactions weren't made by Mr J himself, it's likely he authorised someone else to carry them out on his behalf. I've reached this conclusion based on the following:

- The person using Mr J's card didn't make any balance enquiries before or during the four days of the disputed transactions being made. This indicates prior knowledge of the account balance, to make withdrawals totalling exactly £2,000 (the balance of the account).
- The transactions weren't made in London (where Mr J lives), but rather at a location numerous miles away, where Mr J says he has another property.
- Whoever used Mr J's card, didn't try to use it after the full £2,000 had been withdrawn. This further supports that they had prior knowledge of the account balance.

Whilst the above points do not prove that Mr J authorised the disputed transactions himself; in reaching this decision, I must base my findings on the balance of probabilities. That is, what I consider most likely to have happened in the circumstances of this complaint. I find it very unlikely that whoever took possession of Mr J's card having knowledge of his PIN, would then travel numerous miles away to a location where he also has a property, rather than just use the card locally instead. If there wasn't any involvement from Mr J, this is incredibly coincidental, along with the apparent knowledge of the account balance before and after the disputed transactions had been made.

Mr J is unhappy that first direct did not attempt to obtain CCTV footage of the disputed withdrawals being made. I appreciate his desire to obtain this, however CCTV is rarely useful in disputes like this. Because as mentioned above, if Mr J didn't make the withdrawals himself, he could've given his card and PIN to someone else to make them on his behalf. And such a situation would still mean first direct is entitled to hold Mr J liable for them. Therefore, I don't think first direct did anything wrong by reaching findings on Mr J's complaint in the absence of CCTV, as there was other evidence available to do so.

Taking all available evidence into account, I find it more likely than not that Mr J authorised the disputed transactions, or authorised someone else to make them on his behalf. As such, I won't be asking first direct to refund them

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 July 2025.

Lorna Wall  
**Ombudsman**