

The complaint

Mrs B is unhappy that HSBC UK Bank Plc declined several purchases she tried to make using her global money account while she was overseas.

What happened

Mrs B tried to make a payment while overseas using her HSBC global money account. But the transaction was flagged by HSBC's automated fraud prevention systems, which blocked the payment until Mrs B could verify that it was genuine, which Mrs B later did.

Mrs B tried to make several more payments using her global money account, but these payments were also declined. Mrs B called HSBC's fraud team who explained that the payments hadn't been declined because of any potential fraud concerns and who therefore asked Mrs B to call HSBC's general enquiry line during its 8am to 8pm UK opening hours. Mrs B wasn't happy that her attempted payments kept being declined, and she also wasn't happy with the service she was receiving from HSBC, so she raised a complaint.

HSBC responded to Mrs B and said the later payments had been declined because the PIN had been locked on the debit card, which can happen if the PIN is input incorrectly three consecutive times. Mrs B didn't accept HSBC's explanation because she felt that she had used the correct PIN on all occasions. So, she referred her complaint to this service.

One of our investigators looked at this complaint. But they felt the evidence that HSBC had provided to this service that showed why the payments had been declined was compelling, and so they didn't uphold the complaint. Mrs B remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

The first transaction that wasn't successful while Mrs B was overseas was prevented from completing by HSBC's automated fraud prevention systems. Such systems are commonly used by financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring.

It must be noted that financial institutions such as HSBC have an obligation to employ such systems to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Furthermore, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means that there will be instances where legitimately authorised transfers are flagged erroneously by the fraud prevention systems. This is what happened in this instance. But in consideration of what I've

explained, I don't feel that HSBC preventing the payment from completing pending verification from Mrs B was unreasonable or unfair.

Regarding the other payments that didn't complete about which Mrs B is unhappy, Mrs B is certain that she used her correct PIN when attempting the payments. I'm happy to accept Mrs B's testimony in this regard because I accept her statement that she wouldn't have forgotten the PIN, which therefore means that she did use the correct PIN when making the transactions.

However, HSBC have explained that there weren't any further potential fraud concerns on Mrs B's account. And they've also explained that their records show that the later transactions failed because the PIN on Mrs B's debit card was blocked, with the most likely reason that the PIN would be blocked being if an incorrect PIN had been input on three consecutive occasions when trying to use the debit card.

In much the same way as I'm happy to accept Mrs B's testimony, I'm also happy to accept HSBC's. And I'm also satisfied that the evidence that HSBC have provided to this service confirms that the transactions in question were prevented from completing because Mrs B's PIN was blocked.

Accordingly, this leaves us in the position where it's accepted that Mrs B didn't use an incorrect PIN such that her PIN shouldn't have been blocked, but that HSBC have received information relating to the use of Mrs B's debit card while she was overseas that led to the PIN on that debit card being blocked.

In this scenario, I can only conclude that for some reason HSBC received incorrect information regarding Mrs B's debit card. This might possibly have been due to the more complex transactional chains that overseas debit card purchases entail. Or it could have been because of differences in how transactions are accepted in the overseas territory that Mrs B was visiting.

Ultimately however, it isn't the role of this service to determine what went wrong here in the wider sense that led to Mrs B's transaction not being successful, but only to determine if HSBC acted fairly. And upon consideration, I feel that HSBC did act fairly. This is because I'm satisfied that HSBC acted appropriately in response to the information they received, and because I wouldn't hold HSBC responsible for acting as they did in response to incorrect information which they had no reason to suspect was incorrect.

This isn't to say that Mrs B wasn't frustrated and inconvenienced by what took place here. But it is to say that I don't feel that any of the trouble and concern that Mrs B experienced should fairly or reasonably be considered as being the fault of HSBC. And to reiterate, that is because I'm satisfied from the evidence provided to this service by HSBC that the reason the payments in question weren't successful was because the PIN on Mrs B's debit card had been blocked.

All of which means that I won't be upholding this complaint against HSBC or instructing them to take any further or alternative action here – because I don't feel that they were at fault for Mrs B's dissatisfaction. I realise this won't be the outcome that Mrs B was wanting, but I hope that she'll understand, given the logic and reasoning that I've explained, why I've made the final decision that I have.

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 Mrs B to accept or reject my decision before 28 February 2025.

Paul Cooper
Ombudsman