

The complaint

Mr E complains that HSBC UK Bank Plc stopped one of his payments and caused him distress and inconvenience.

What happened

Mr E has an account with HSBC.

Shortly after opening his account, Mr E says HSBC stopped a £3,000 payment he wanted to make to another account in his own name. Mr E says he had to speak to two different members of staff, that a call got disconnected and that the audio quality was poor. He also says the agents he spoke to asked ludicrous questions all of which were unnecessary.

HSBC looked into Mr E's complaint and apologised for any inconvenience caused but said that it has the right to question any payment and that it's not its intention to cause offence.

Mr E was even more unhappy with the way HSBC handled his complaint and information it supplied – for example about the timings of the calls in question. He complained to our service and said he was reconsidering using HSBC as his primary bank. He said he wanted a minimum payment of £100 in compensation for his distress and inconvenience.

Our investigator didn't think HSBC had acted unfairly. Mr E disagreed saying there was nothing to suggest that fraud was happening and that it was insulting and degrading for HSBC to allege otherwise. He also said that HSBC's follow up had caused even more distress. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

I've listened to the calls that Mr E had with HSBC that he's complaining about and it's clear he was both disappointed and angry at HSBC's actions. I can also understand why he feels the questions made no sense. HSBC – and the banking industry – has, however, seen a huge rise in fraud cases, including frauds where customers are tricked into sending payments to fraudsters. The FCA expects HSBC – and businesses like it – to take steps to protect their customers from harm and that includes making sure they're not falling for common scams. That's exactly what HSBC was doing on the calls I've heard. HSBC wasn't, accusing Mr E of being on the phone with someone else at the same time or of having been asked by a third party to make the payment he wanted to as Mr E appears to have concluded. HSBC was simply checking that this wasn't happening. The huge rise in fraud cases – and the appearance of new types of scams – means that calls like this are inevitable. In the circumstances, I don't agree that HSBC's questioning or concerns were ludicrous.

I agree that the quality of the audio on the calls was not great and I can see that HSBC and

Mr E don't agree the exact time at which the calls took place. But I don't agree that any frustration or distress that this may or may not have caused warrants compensation. I say that having taken our approach to compensation into account.

My final decision

My final decision is that HSBC UK Bank Plc acted reasonably in this case, in an effort to protect Mr E from harm. In the circumstances, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 February 2025.

Nicolas Atkinson
Ombudsman