

The complaint

Mr S is unhappy with HSBC UK Bank Plc. Mr S tried to pay a cheque into his Flex Saver account through the mobile banking app. But he was under the impression the money hadn't been credited so tried again in a branch. Mr S was again given the impression the money wasn't in his account and complained to the cheque issuer. Eventually it was discovered that the money was in Mr S's account.

What happened

Mr S received a cheque for £50 and wanted to pay it in to one of his HSBC accounts. Through the mobile app he tried to pay it in to his Flex Saver account. But he said HSBC later told him it had been paid into his credit card account. HSBC sent him a letter which said the cheque had been returned from his current account. He wasn't made aware that it had been paid into any other account. He contacted the cheque issuer to complain that there was something wrong with the cheque it had given him. The cheque issuer investigated and came back to Mr S to confirm the cheque had been paid.

Mr S went back to HSBC who firstly maintained the cheque had been returned but after making several calls found out it had made a mistake and the cheque had been paid into Mr S's credit card account. Mr S said this wasted a lot of his time, caused him inconvenience and he wrongly blamed the cheque issuer based on what HSBC had said. HSBC accepted that errors had been made and offered him £100 compensation for the distress and inconvenience caused. Mr S remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. She said the cheque was paid in successfully at the first attempt, but HSBC took too long to pick up on this. Our investigator said HSBC gave an inaccurate explanation to Mr S. She said this meant Mr S did have to waste time and effort with both HSBC and the cheque issuer to try and put the matter right. Our investigator accepted the £100 offered by HSBC went some way to putting the matter right but felt it didn't go far enough. She said HSBC should add a further £100 to the offer to make a total of £200 compensation. Our investigator concluded this would fairly recognise the impact and inconvenience Mr S suffered.

HSBC accepted this. Mr S didn't accept this and asked for his complaint to be passed 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.

Mr S said he should get £500 compensation for the distress and inconvenience caused to him. He said he had been a HSBC customer for nearly 20 years, and it took him months and months to get this issue resolved.

Mr S said he'd lost trust in HSBC, and it failed to acknowledge the errors made and took a long time to explain what had actually happened. Mr S said HSBC had caused him so many problems through its mistake.

HSBC apologised. Initially it said it had provided poor service and made a processing error which meant the cheque was returned unpaid from Mr S's current account. It said appropriate feedback had been provided to the staff involved and the problem won't happen again. It offered £100 compensation for the issues caused.

HSBC said Mr S initially used his mobile banking app to pay the £50 cheque into his Flex Saver account on 28 May 2024.

It said on 21 June 2024 Mr S tried again to pay the cheque in, only this time with a paying in slip in a branch. And this time with his Advance Account details. But on 24 June 2024 HSBC wrote to Mr S letting him know the cheque this time was unpaid as it had already been cashed.

On 19 July 2024 Mr S brought a complaint about the service and the cheque not being paid in. He had to visit the branch, make numerous calls to HSBC and contact the cheque issuer in his attempts to sort the matter out.

HSBC said the credit showed up in Mr S's balance from 29 May 2024. It said it checked all the statements and there was no reversal of the credit. HSBC said it was satisfied the credit was paid in successfully.

It felt the confusion arose when Mr S attempted to pay the cheque in again, only this time to his Advance account. HSBC said as it had already been successfully deposited the paying bank advised the cheque presented was a duplicate of the previous cheque.

HSBC said it then confused the matter by mentioning Mr S's credit card and telling him there had been a processing error. It now said this was incorrect. It said the cheque had originally been paid into his account in a timely manner.

HSBC accepted on reflection that Mr S had been impacted by having to contact it on several occasions and not being correctly informed what account he had paid the cheque into. It concluded Mr S hadn't been without funds at any point.

There's no doubt Mr S feels frustrated by the situation he found himself caught up in here. But the evidence from HSBC shows the cheque was paid in at the first time of asking. The problems seem to have come about when Mr S tried to pay the cheque in again and then HSBC confused matters.

After this Mr S was in discussion with the cheque issuer and regularly in contact with HSBC trying to resolve the matter. This could have been avoided at any point during phone calls or when Mr S was in branch a member of HSBC staff should have been able to point out that the money was in his Flex Saver account and had been all along. Without this clarity it's clear that Mr S was worried and unsure what had happened and what to do. He spent a lot of time trying to get this clarified due to the worry it had caused him.

It is a surprise how such a simple issue could go so wrong. Mr S had to go back to the cheque issuer to argue with them when HSBC had the money sitting in his account all along. But for it then to take so long to be pointed out that there was no issue and the money had been paid in all along is surprising. Mr S did have to make a number of calls and did suffer poor service from HSBC. There was an impact on him and HSBC should pay an additional £100 compensation on top of the £100 it's already offered. So, I think a total amount of

compensation for his distress and inconvenience of £200 is fair and reasonable in the circumstances.

Putting things right

- Pay Mr S an additional £100 compensation on top of the £100 it's already offered for the distress and inconvenience caused.

My final decision

I uphold this complaint.

I require HSBC UK Bank Plc to:

- Pay Mr S an additional £100 compensation on top of the £100 it's already offered for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 March 2025.

John Quinlan
Ombudsman