

The complaint

Mr M has complained HSBC UK Bank plc won't refund him for transactions he didn't make. He's also upset that his bank initially refunded him, but took back the refunds when they decided the transactions had been authorised by Mr M.

What happened

On 4 March 2024 Mr M reported extensive fraud to HSBC. His card details had been used for more than £16,000 worth of gambling transactions.

HSBC reviewed what had happened. They received evidence from the merchant that processed Mr M's card details which suggested Mr M must have known about these transactions. They told Mr M they weren't upholding his complaint and reversed the refunds they'd credited to his account.

HSBC admitted they'd not resolved Mr M's complaint as quickly as they should have so paid him £250 for the inconvenience.

Mr M brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. He felt it was most likely Mr M had authorised the disputed transactions.

Still unhappy, Mr M has asked for his complaint to be considered by an ombudsman.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr M's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

To help me come to a decision, I've reviewed the evidence HSBC provided as well as the evidence along with his testimony that Mr M has shared.

Mr M initially also complained about repeat payments he'd made to a friend's account when he didn't think the first payment had been successfully processed. This was part of the refund HSBC credited Mr M's account with. However, I note Mr M has subsequently confirmed his friend paid him back in cash.

After reviewing what both parties have told us, I think it's most likely that Mr M authorised these transactions, although I'm not convinced he made these himself. I say this because:

- Evidence from the gambling company who processed the disputed transactions show they had a photo of a copy of Mr M's passport – which he still has – along with a photo of his HSBC debit card showing the card details. Mr M has told us neither his passport or his card have been out of his possession.
- The gambling account was not in Mr M's name and had been set up more than a year earlier. The account is held by someone who is the same nationality as Mr M.
- The disputed transactions from 19 to 22 February 2024 emptied Mr M's account. Evidence from HSBC shows that Mr M logged into his internet banking during this period using his normal mobile device. The volume of transactions being made would have been difficult to miss so if Mr M hadn't authorised these, I'd have expected him to have noticed this immediately.
- Mr M didn't contact HSBC until 4 March. His account had been empty for 10 days by that stage. There's nothing to show he was trying to use his card unsuccessfully. Since before this Mr M's use of his debit card was regular, I'm surprised by this. If this had been the case, I'd have again expected Mr M to raise the fraud case earlier. This suggests to me that Mr M may well have known about the debit card use and that his account was empty and unable to be used.
- Mr M is obviously upset about what has happened, so I'm not convinced everything was above board. A lot of what he appears upset about is that HSBC removed the refund they'd made after they confirmed Mr M had authorised the transactions. This suggests to me Mr M most likely was involved and had been led to believe he'd be fully refunded. This is why he is now upset this has not happened.

It has been difficult to get to the bottom of what happened here. Matters have been complicated by the lack of explanation being provided. I've also considered Mr M's vulnerabilities and can see English is not his first language. I am also conscious that more than £16,000 worth of gambling transactions were made when there's nothing to show before this happened that would be Mr M's normal account use. However I've had to conclude that Mr M knew what was going on and had authorised the use of his debit card.

I note HSBC gave Mr M £250 for the failings in their customer service and I believe that was fair so won't be asking them to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr M's complaint against HSBC UK Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 May 2025.

Sandra Quinn
Ombudsman