

## **The complaint**

Mrs B complains that HSBC UK Bank Plc (“HSBC”) allowed money to be misappropriated from a joint account held with her late husband.

## **What happened**

Mrs and Mrs B had joint accounts with HSBC. Sadly, Mr B passed away in the late hours of 10 March 2024. On 12 March, Mrs B contacted HSBC and said she’d noticed several payments had been made from one of the joint accounts on 11 March which she didn’t recognise. She informed the bank of Mr B’s demise and said that she hadn’t made the payments.

It was established that the payments had been made by a family member – I’ll call them X – who had successfully registered a Power of Attorney for Mr B with the bank in the days prior to the disputed payments taking place.

Mrs B complained to HSBC about several payments between 11-13 March which she said shouldn’t have been made, given X’s authority as the attorney ceased to exist upon Mr B’s passing. HSBC declined to refund the payments and said it wasn’t made aware of Mr B’s passing until after the payments were made. So, it didn’t believe it had acted unreasonably in processing them. The bank did however offer £100 compensation for the delay in handling Mrs B’s complaint. Unhappy with this, Mrs B referred her complaint to our Service.

One of our Investigators looked into the matter and concluded that HSBC hadn’t acted unfairly in processing the payments made on 11 March. They noted that the bank had been unaware of Mr B’s passing. And there was no reason for the bank to have been concerned about the payments to the extent that it shouldn’t have processed them. The Investigator did conclude that HSBC shouldn’t have processed the payments made on 12 and 13 March, given that by then it had been made aware of Mr B’s passing as well as concerns about X removing funds from the account without authority. The Investigator asked HSBC to refund these payments along with interest, and increase the compensation offer to £300 to recognise the distress Mrs B suffered in communicating with the bank during the course of this matter.

HSBC said that while it didn’t agree with everything the Investigator had said in their view, it didn’t want to protract the matter for Mrs B and therefore agreed to the recommendations made. Mrs B didn’t accept the Investigator’s recommendation and asked for the complaint to be reviewed 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.

I’d like to offer my sincere condolences to Mrs B. It’s clear from the circumstances that have led to this complaint that this has been particularly difficult and upsetting for her.

I realise that this will come as disappointing news for Mrs B, but having carefully considered everything, I agree with the overall conclusions reached by the Investigator and there's not much more I can add to what they have said.

Mrs B is right in that the power of attorney ends on the death of the donor. But it wasn't until her phone call to HSBC on 12 March that the bank was made aware of Mr B's passing. As such, I can't fairly conclude that it should not have acted on X's instructions as the attorney when it processed the payments on 11 March. That X failed to inform HSBC about Mr B's passing when payments were made on 11 March isn't something I can hold the bank liable for.

It seems that X may have a case to answer, but it's important to note that the complaint I'm considering is about HSBC's acts and omissions. I can't investigate X's conduct; that's a matter for the Office of the Public Guardian. I understand from Mrs B's submissions that the police are already involved.

As HSBC received instructions from X on 11 March, and I don't think it could have reasonably known that they no longer had authority, I don't think it's unfair for the bank to treat the payments made that day as authorised. This means that under the relevant regulations, the starting point is that the bank isn't liable for losses resulting from these payments.

There are some situations in which a bank should reasonably have taken a closer look at the circumstances surrounding a particular payment. For example, if it was particularly suspicious or out of character. HSBC did make further enquiries during some of the payments made that day. But there was nothing concerning in the responses received such that I consider it should not have processed the payments. So, I don't think the bank acted unfairly in executing the payment instructions received that day.

By the time payment instructions were given to HSBC on 12 and 13 March, like the Investigator, I consider the bank should have acted differently. While I acknowledge HSBC's point that removing the Power of Attorney isn't immediate and it requires sight of the death certificate before making any changes, in the circumstances of what happened here – Mrs B notifying the bank about Mr B's passing and raising concerns about X acting without authority, i.e., there being a dispute – I think the bank should have acted sooner and put restrictions in place while matters were looked into further. Had it done so, the disputed payments made from that point on could have been prevented. Notwithstanding it's comments, HSBC has agreed to refund these payments. It has also agreed to add interest to the refund.

The investigator recommended HSBC to increase its compensation award to £300 for the impact of service failures such as the delays in looking at Mrs B's claim. HSBC has accepted this recommendation. I've not seen anything to persuade me that the impact suffered by Mrs B due to any failings on HSBC's part warrants further compensation. So, in the circumstances, I'm satisfied that £300 is fair compensation.

### **Putting things right**

To put matters right, HSBC UK Bank Plc needs to:

- Refund the last four disputed payments that were made on 12 and 13 March 2024, i.e., £1,300, £3,000, £3,000, and £3,000.
- Pay simple interest at 8% per year to the refunded payments (less any tax lawfully deductible), calculated from the date of the payment to the date of settlement.
- Pay £300 compensation for the distress and inconvenience caused to Mrs B.

**My final decision**

For the reasons given, my final decision is that I uphold this complaint in part. HSBC UK Bank Plc needs to put things right for Mrs B as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 27 November 2025.

Gagandeep Singh  
**Ombudsman**