

The complaint

Mr T complains HSBC UK Bank Plc blocked his debit card, meaning two payments to a hotel company did not occur and he lost his holiday booking.

What happened

I sent the parties a provisional decision in March 2025, in which I set out the following background information to the complaint and my provisional findings, as follows:

Mr T explained HSBC blocked his card for security reasons meaning two prearranged payments to a hotel company did not occur. Mr T has explained this meant he lost his holiday. Mr T claims these payments were attempted on 21 and 22 November, two days before HSBC has since said it blocked his card. Mr T therefore thinks HSBC blocked his card earlier than it has said it did.

Mr T provided evidence from the hotel company stating it tried the payments on 21 November and 22 November but had to cancel his reservation due to an 'invalid payment'.

HSBC wrote a final response letter to Mr T. It explained it had a fraud detection system and how this system may decline certain transactions. HSBC said it detected such a transaction on the afternoon of the 23 November and sent a text message to Mr T asking him to reply 'Y' if the transaction was genuine. HSBC said it placed a temporary block Mr T's card whilst it awaited Mr T's response to this text message.

HSBC said, as it didn't receive a response to the text message, the block remained on his card. Further transactions to the same hotel company were requested later in the evening but were declined because Mr T had not confirmed the earlier transaction was genuine. HSBC said shortly after it declined these payments it received a response from Mr T to the text message confirming the queried transaction was genuine, so removed the block, Mr T then made a series of successful transactions to the hotel company.

Mr T has consistently said he didn't receive a text message from HSBC and provided screen shots showing he had received a similar text message several months ago, but nothing more recently.

HSBC provided our service with a debit card activity report for Mr T. It shows the first declined payment causing the block occurred at 4.35pm on 23 November. At 8.25pm a transaction to the hotel company was first attempted, followed by two further attempted transactions shortly afterwards. These three transactions were not authorised, but a further transaction to the same hotel company was authorised at 8.30pm. HSBC has explained this is because it received a reply of 'Y' to the text message after these transactions were blocked and immediately unblocked Mr T's debit card so he could use it for further payments.

Mr T has provided evidence from the hotel company of the two unsuccessful payment attempts on 21 and 22 November. HSBC has since explained these transactions were not declined by it. HSBC said no authorisation attempt was registered for these transactions against Mr T's current debit card, explaining this suggests an error with the card details entered either by Mr T or the merchant. HSBC didn't accept it had done anything wrong but paid £50 as a goodwill gesture to Mr T.

Mr T has confirmed he had booked the holiday a year in advance and had provided his previous card details for the purchase to be taken in November. Mr T explained he had successfully updated the new card details with the hotel company after receiving his new debit card in April 2024 and had email proof of this.

Our investigator thought HSBC had acted in line with its policies for fraud detection and didn't think HSBC needed to take any action. They explained they didn't think HSBC were responsible for Mr T missing out on his holiday booking, concluding it was likely incorrect card details had been entered to make the purchase.

Mr T disagreed with our investigator's recommendation, stating he had not received any text message from HSBC and he had used the correct card details with the hotel company. His complaint was therefore passed to me to make a final decision.

I asked HSBC to confirm it had not received any authorisation request from the hotel company for the two attempted transactions in question and provide evidence of the text message it sent to Mr T.

HSBC confirmed it had no record of the attempted transactions on 21 and 22 November. It also said, after re-examining its systems, it didn't appear Mr T's debit card was in fact blocked on 23 November. HSBC explained the code used on its systems would have changed if Mr T had been sent a text message and responded, and this was not the case. HSBC said it also couldn't find evidence it sent a text message to Mr T regarding any block, suggesting its final response on this issue was incorrect.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate how strongly Mr T feels about his complaint. I was sorry to hear Mr T lost his holiday booking because of issues he had making the payment. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

The evidence provided by Mr T of a similar text message from HSBC in August 2024 shows HSBC had asked Mr T to confirm the legitimacy of previous purchases by text message. So I am satisfied Mr T was well aware of this process and likely would have recognised and responded to any text message HSBC sent him.

HSBC has since confirmed it didn't send the text message it said it did. I'm therefore satisfied the final response letter Mr T received from HSBC was inaccurate on this point, as was some of the further correspondence he received after this regarding a text message.

I am mindful the issue Mr T has complained about is the failed transactions on 21 and 22 November. I have examined the evidence Mr T supplied regarding the failed transactions on 21 and 22 November. In doing so, I am clear these are the dates when the transactions were not successful, I therefore don't think it was helpful of HSBC to have explained the issue was due to a transaction on 23 November.

Mr T has been clear and consistent that the disputed transactions occurred before this date, and whilst I can see further transactions occurred to the hotel company on 23 November, ultimately these were not the transactions Mr T was complaining about, a point he was clear about during his call to HSBC.

However, HSBC has confirmed the transactions on 21 and 22 November were not declined by it. It has explained there would have been some record on its systems had it declined the transaction for his current debit card. The activity report HSBC has provided our service for his current debit card shows this is the case, with codes for declines, where they occur, and reasons why.

I also understand Mr T had to update the details of his card with the hotel company, thus I think there was a more significant opportunity for error here than is usual in such transactions. Whilst I appreciate Mr T has provided evidence of failed transactions, the evidence is limited and unfortunately doesn't show the details entered for these transactions by the merchant. I am therefore provisionally persuaded the evidence suggests these two transactions didn't reach HSBC and were refused for some other reason. I think, on balance from the evidence, it is likely this was because incorrect details were either entered by Mr T or by the merchant.

The issues that occurred on 23 November appears to me to be a coincidence and are arguably of no consequence to the issues at hand. I am satisfied this all occurred after the two payments Mr T has complained about had been declined, he has not complained about issues on or after 23 November. I am not provisionally persuaded there was any link between these two matters, and therefore think this was poor service by HSBC, which I will discuss below.

Whilst I currently think HSBC were not responsible for the failed transactions, I do provisionally think it is regrettable HSBC focused on a block after these transactions and provided Mr T with both incorrect and misleading information in its response to him. I accept this has likely caused Mr T some unnecessary distress and inconveniences, as he has had to challenge these inaccurate explanations with several submissions over a few months.

I appreciate Mr T will likely be dissatisfied with my explanation, but I must be led by the evidence presented and whilst I can see this matter has caused him distress and inconvenience, I am not persuaded, on balance, this was because of an error by HSBC regarding the transactions themselves.

Whilst I provisionally don't uphold Mr T's complaint, for these reasons, I am currently minded to require HSBC to pay Mr T a further £150 for the impact of its poor and misleading complaint handling as explained above. I am satisfied this was ancillary to the issues complained about in the circumstances as this was a response provided about a complaint about a regulated activity.

My provisional findings and the parties' responses

Mr T responded stating he was satisfied with my provisional decision.

HSBC also responded, stating it was prepared to accept my provisional decision.

My final decision

For the reasons I have given, I require HSBC Bank UK Plc to pay a further £150 for the impact of its poor complaint handling and the distress and inconvenience this has caused Mr T.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 April 2025.

Gareth Jones
Ombudsman

