

The complaint

Mr and Mrs J complain about HSBC UK Bank Plc debiting their account in error and the subsequent service they received.

What happened

The circumstances of this complaint are not in dispute, so I won't repeat all the details here.

But in summary, Mr and Mrs J were expecting a £10 stopped cheque charge to be debited to their account. But HSBC debited £70,000 in error causing Mr and Mrs J distress. HSBC rectified the initial error within three days. But it went on to make further errors crediting and debiting the account, causing Mr and Mrs J further distress and inconvenience.

HSBC acknowledged it had made a mistake and that it didn't provide the level of service Mr and Mrs J had a right to expect. It apologised and offered them £300 compensation for the distress and inconvenience caused. It also said it would monitor the account and refund any debit interest charged because of the mistake.

Mr and Mrs J declined the compensation offer as they felt it didn't fully recognise the distress and inconvenience caused or reflect the number of errors HSBC had made. They referred the complaint to this service.

Our investigator acknowledged that finding out such a significant sum of money had been debited to their account would have been stressful for Mr and Mrs J. But he felt that HSBC's offer of £300 compensation was fair.

Mr and Mrs J didn't agree. They referred to a number of points including: the number of calls they made to HSBC; the visit to the branch; that HSBC hadn't provided an explanation of how the mistake had happened or why a junior staff member can make a mistake but a senior member of staff can't rectify it quickly; and, they had to email HSBC twice to get a refund of the debit interest charged to their account.

The investigator considered what Mr and Mr J had said, but he remained of the view that £300 compensation was fair when taking all the circumstances of this complaint into account.

As agreement wasn't reached, the complaint has been passed to me to decide.

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'm aware I have only summarised the circumstances of the complaint above. So, I'd like to reassure Mr and Mrs J that I have read and considered all their correspondence in full. And I hope the fact that I do not respond in a similar detail here will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable

conclusion with the minimum of formality. In doing so, it is not necessary for me to comment on every point raised or each individual error made by HSBC, but to consider the complaint as a whole.

Having done so, while I appreciate Mr and Mrs J's strength of feeling about what happened, I've come to the same overall conclusion as the investigator. I'll explain why.

I've seen Mr and Mrs J have said that HSBC hasn't explained how their account was debited in error. But, from what I've seen, I'm satisfied the mistake was a result of human error. I understand that Mr and Mrs J want HSBC to improve its systems and processes and they've questioned why senior staff didn't have the authority to rectify the error straight away. But this service is not the regulator, so it's not for us to tell HSBC how to run its business or what processes it should have in place. Nor do we issue punishments or fines for any mistakes made.

Where a mistake has happened, our power is to ensure the business puts right any financial loss and to decide the level of compensation due to recognise any material distress and inconvenience caused in line with our compensation guidelines <https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-for-distress-or-inconvenience>.

Having reviewed Mr and Mrs J's statements of account, I'm satisfied that HSBC did ultimately put Mr and Mrs J's account back in the position it was in before the error was made within three days. And, while I agree that debit interest charged - because the error put the account into an overdrawn position, wasn't refunded as quickly as it could have been, HSBC has shown that the debit interest has since been refunded on 31 January 2025. And I've not seen anything to make me think Mr and Mrs J have lost out financially because of any delay in refunding the debit interest.

So, overall, I'm satisfied HSBC has put right any financial loss caused to Mr and Mrs J. So, I've gone to consider the distress and inconvenience cause to Mr and Mrs J. In this respect, I think it would be helpful to explain that, when deciding the appropriate level of any award, we consider the impact the businesses error/poor service had on the consumer as a whole - rather than awarding compensation for each individual mistake.

Mr and Mrs J have said the matter caused them sleepless nights. And I fully appreciate that finding out £70, 000 had been debited to their account would have been distressing for them. But I also need to take into account that once Mr and Mrs J were in contact with HSBC, they were told quickly what had gone wrong. So, I find they would have known that a bank error had occurred – rather, than (for example) their money had been removed fraudulently. So, while I'm satisfied Mr and Mrs J were caused some distress by HSBC's error, I'm persuaded that their distress was short-lived.

It's clear to me that in trying to get the matter resolved, HSBC made several other mistakes over the coming days – for example, the funds were debited and credited to Mr and Mrs J's account on more than one occasion. And the whole matter involved Mr and Mrs J calling HSBC several times, visiting a branch, and sending emails to get the everything resolved. So, I'm also satisfied HSBC's mistake and the service Mr and Mrs J received has also caused them inconvenience.

I have given careful thought to all the circumstances of the complaint - alongside our guidelines for compensation awards. And overall, I think £300 compensation fairly recognises the impact HSBC's mistake and poor service had on Mr and Mrs J.

My final decision

For the reasons given above, I uphold this complaint.

HSBC has already made an offer to pay Mr and Mrs J £300 to settle the complaint and I think this offer is fair in all the circumstances of the complaint.

So, my decision is that HSBC UK Bank Plc should pay Mr and Mrs J £300 (if it hasn't already done so).

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

Sandra Greene
Ombudsman