

The complaint

Miss M says HSBC UK Bank PLC (“HSBC”) refuses to refund her for transactions on her account she says she didn’t authorise.

What happened

The facts of this complaint are well known by both parties, so I won’t repeat them in detail here.

In short, Miss M says she’s never made payments online and doesn’t use gambling websites. However, in December 2024 she noticed unauthorised transactions on her account made online to gambling websites and complained to HSBC. She says she complained to HSBC on 10 December 2024, but it didn’t block her card or take any action to protect her account. She says she has experienced poor customer service and has been mistreated by HSBC. So, Miss M has also asked for compensation.

HSBC says it believes the transactions to be genuine based on the evidence it has, so has refused to refund them. However, it admits that it could’ve done better in the handling of Miss M’s complaint, and it has paid her £350 in compensation for this.

Our investigator considered this complaint and decided not to uphold it. She felt it was more likely than not the transactions were authorised. She also felt the compensation already paid was fair and reasonable for the distress and inconvenience cause. Miss M wasn’t happy with this outcome, so the complaint has been passed to me 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.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

A consumer should only be responsible for transactions made from their account that they’ve authorised themselves. Miss M has said she didn’t give any permission for the transactions in dispute to be made but HSBC believes she did. My role then is to give a view on whether I think Miss M more likely than not authorised the transactions, based on the evidence I have available.

HSBC has provided evidence of Miss M’s bank statements which show the transactions to online gambling companies started in May 2024. All the transactions were made using Miss M’s card details which is likely to include her full card number, the expiry date, the CVV number and her correct postcode. I have seen evidence that there are no declined transactions to such companies, so whoever made these transactions had knowledge of Miss M’s card and address. I’ve also seen the promotional emails Miss M was sent, so this shows they also knew her email address. There has been inconsistent evidence on the

whereabouts of Miss M's card. She initially told HSBC she didn't know where it was, and she then said she had it in her possession. Miss M hasn't given any clear evidence of how her details may have been compromised.

Having looked at her statements I can see several examples of where her account is topped up by incoming transfers from other accounts, and then the money is spent on disputed transactions soon after. So, it seems like these transactions are being funded by Miss M. There is also evidence she has been checking her online banking regularly since May 2024, but she didn't complaint to HSBC about these transactions till December 2024. But I think she would've been alarmed by transactions in dispute on these occasions, had she not been responsible for them. I will provide examples below.

On 2 July 2024 Miss M's account went to £0 after online gambling transactions emptied her available balance. Miss M checked her online banking, from her registered device and from a known IP address on 3 July 2024 and would've seen her account balance at £0. So, I think she would've noticed that all her money had gone had she not been responsible for the online gambling - and complained to HSBC at this point. However, there is no evidence she raised these at the time.

On 5 August 2024 Miss M transferred £50 into her account and on 6 August 2024, £50 was spent on online gambling. Miss M checked her online banking, from her registered device and from a known IP address on 11 August 2024 – but didn't raise this transaction as fraudulent.

On 5 December 2024 Miss M paid in £112 to her account and on 6 December 2024 this money was spent on gambling transactions. Miss M checked her online banking on 7 December 2024 but didn't complaint to HSBC until 10 December 2024.

I've also seen that Miss M's account gained winnings from the gambling on several occasions. This behaviour is not typical of fraud. There is no way for a fraudster to gain from gambling on someone else's account as all winnings would also be credited to the customer's account. The evidence showing the disputed transactions were made so soon after genuine incoming transfers is also not typical of fraud, as this requires intimate knowledge of the account activity – which I believe only Miss M had.

I know this outcome will come as a disappointment to Miss M but based on everything I've seen I am not persuaded the transactions in dispute are unauthorised. I've also considered the compensation paid by HSBC for their poor customer service and failing to block her card when she first complained on 10 December 2024. As I've said above, I think Miss M is responsible for these transactions, so I won't be asking it to refund any of these, even the ones made after 10 December 2024. However, I do agree that it didn't follow it's correct procedure and Miss M had to call back again twice before her card was blocked. But I think £350 is fair compensation for the inconvenience this caused.

Miss M says HSBC has only paid her £250, however, I have seen evidence that the full £350 in compensation has already been paid to her as well as another £50. The payments of £50 and £100 were made on 13 and 17 January 2025 into her HSBC account, and then on 21 February 2025 an additional £250 was sent to Miss M. So I don't think HSBC need to do anything further.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

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

Sienna Mahboobani
Ombudsman