

The complaint

Mrs A, with the assistance of a representative Mr A, complains she was unable to make a payment online via Open Banking. She further complains after making the transfer by telephone, the payment did not reach the saving account in the timeframe HSBC had told her it would.

What happened

Mrs A explained she wasn't able to make a payment of £17,000 to a third-party savings account by Open Banking. During a telephone call with HSBC on 22 November 2024, she described how the third-party bank wouldn't accept the details for her to make the transfer.

Mrs A and her representative explained to HSBC she had used the correct details to log in, but the system said the username had not been recognised. HSBC explained Open Banking can be 'disabled' if unsuccessful payments had been attempted in the past. The adviser explained a method to reactivate Open Banking, suggesting Mrs A made a payment to a brand-new payee. HSBC explained this would reset Open Banking and she would then be able to make the payment to the third-party account as she wished.

Mrs A and her representative explained this was difficult for her as the only person they could ask was their neighbour. Mrs A expressed this was embarrassing and described how it was difficult to ask a neighbour for personal banking details. Mrs A complained about this process but agreed to undertake it. During this call Mrs A explained she didn't agree she had entered any details incorrectly and there had been no banking error on her part. Mrs A's representative also explained they wanted compensation of hundreds of pounds.

Mrs A called HSBC again later the same day. She explained she had now made a £5.00 payment to her neighbour, but she was still unable to make the transfer to her saving account. HSBC confirmed it could see the £5.00 payment had been made successfully and her Open Banking wasn't blocked. The adviser then took Mrs A through the process of generating a code through her HSBC app to make the transfer.

I have listened to this call, and it appears Mrs A struggled with the time frame allowed to input the details after the code had been generated. The conversation suggests the code was valid for 60 seconds and it appears Mrs A was unable to get a code from the app and enter it in this time frame.

HSBC then explained, as this method appeared not to be working, Mrs A could either do a Faster Payment transfer (bank transfer) or use her debit card. After speaking with the complaints team and raising further issues, HSBC transferred Mrs A to another adviser who arranged the bank transfer over the telephone and confirmed the payment would show either tonight, but more likely the next day.

Mrs A contacted HSBC by phone several times over the next few days as the funds were not showing in the third-party savings account she had transferred them to. Mrs A explained her husband had sadly become ill and had to seek medical attention because of the stress this had caused him.

During a phone conversation on 2 December, Mr A's representative confirmed the funds had been '*in limbo for five days*'. Suggesting the funds were now showing on the savings account.

HSBC issued a final response letter to Mrs A in January 2025. HSBC maintained Mrs A's Open Banking had been blocked because of three unsuccessful attempts to make a payment through it.

After Open Banking had been successfully reset by the payment to a neighbour, HSBC said its records show Mrs A wasn't entering the generated code in the time frame allowed. HSBC said it appears the process wasn't being followed correctly by Mrs A to make the payment.

HSBC confirmed an adviser successfully made the payment by bank transfer on 22 November but was unable to explain why the funds hadn't reached the third-party saving account more quickly. HSBC suggested it was possible '*additional checks*' may have been conducted before the funds were credited to the savings account. HSBC concluded it hadn't made any such checks and wasn't responsible for this delay.

HSBC did pay Mrs A £100 in recognition of having to ask a neighbour for banking details and make several calls to organise the payment.

Our investigator thought this was a fair and reasonable outcome and HSBC didn't need to take any further action. They thought HSBC has accepted it made mistakes and had compensated Mrs A accordingly.

Mrs A rejected our investigator's recommendation, this complaint has therefore been passed to me to make 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.

I was sorry to hear of the difficulties Mrs A has had regarding this payment and am also sorry for the ill health her husband, Mr A, has recently suffered. I appreciate how strongly Mrs A feels about her complaint. 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.

I have listened to all the calls on the file, and read the evidence provided by both parties before making my final decision.

HSBC has provided our service with evidence from its system showing in October and November 2024 there were five failed Open Banking login attempts. This evidence also shows a successful login at 7.17pm on 22 November, which appears to correspond with the successful payment of £5.00 to her neighbour.

HSBC has explained these '*failed*' logins can occur when the customer generates an incorrect code. Having listened to the call on the evening of 22 November, it appears Mrs A was not familiar with the process to generate such codes through the HSBC app, and had to be led through it by the adviser, which was ultimately unsuccessful and resulted in her having to make the payment via telephone banking.

I therefore think it is more likely than not Mrs A's Open Banking was blocked because of these failed logins, which are a matter of record. Whilst the 'work-around' of paying a new third party to unlock the account is less than ideal, I accept this is something outside of HSBC's control and in the circumstances was therefore a reasonable solution to get Open Banking working for Mrs A. I therefore do not uphold this part of the complaint but I am pleased to see HSBC has recognised how this process to unlock Open Banking is inconvenient and has already paid Mrs A £100 for the inconvenience this caused her.

Moving on to the transfer, I can see HSBC has provided our service with screen prints from its system showing the funds in question did indeed debit Mrs A's HSBC account on 22 November. I am therefore satisfied it appears this transfer was successful as far as HSBC was concerned at the time, and corroborates what it has said.

HSBC's website explains *'In most cases, funds arrive in the recipient's bank account within seconds. Faster Payments may occasionally take 2 hours to go through but this is uncommon. However, you should use these timeframes as a general estimate. ...Faster Payments are subject to internal checks, so you may get the funds later than expected.'*

Banks are under an obligation to detect and prevent certain transactions, such as fraud and scams. This means there are circumstances where businesses take additional steps or make additional checks before processing a payment.

The payment in question was for a significant sum. So, I think it was more likely this payment would have triggered a process for further checks, which is what HSBC has said probably happened.

HSBC has confirmed it didn't complete any further checks, so I think it is likely these checks were undertaken by the receiving third party bank on this occasion. This complaint is not regarding the third party, so I can only consider whether I think there is evidence HSBC has done anything wrong. As I have said, the evidence I have seen suggests it did not and the transfer left Mrs A's account shortly after the Faster Payment was instructed.

Although this is uncommon, and the vast majority of Faster Payments happen almost immediately, I think it would have been helpful for HSBC to have managed expectations regarding this payment. The adviser said it would credit the account that day or the day afterwards on a few occasions, but only said *'subject to further checks'* once after she had processed the payment. I think it would have been helpful if this had been made clearer to Mrs A as the payment was for a significant sum and therefore more likely to have triggered a check. There was no discussion of any delay being caused by such checks.

I appreciate Mrs A has complained generally about the customer service she received. As our investigator correctly explained in their view, the majority of the contact with HSBC during this time was by Mr A acting as Mrs A's representative. However, Mr A wasn't the eligible complainant here, and our service isn't able to consider the impact this had on him. As I have said, I was sorry to hear about the distress and ill health Mr A suffered.

I have considered the customer service provided more generally, and listened to all the calls on file. I am satisfied HSBC was trying to help with a digital issue Mrs A had reported, and focused on resolve this issue, only later suggesting another method of payment might be helpful make the payment. It is arguable whether HSBC should have mentioned the Faster Payment option earlier, this wasn't solving the issue Mrs A had reported, and could have been considered poor service.

However, I think it could have been helpful to have explained a faster payment option was available when Mrs A expressed how difficult it would have been to visit a neighbour on a Friday evening and ask for their bank details. But, having carefully weighed this up, I'm not persuaded HSBC did anything fundamentally wrong in focusing on trying to resolve the issue Mrs A had, this is what I would expect HSBC to do in the circumstances. I therefore don't uphold this aspect of the complaint.

I appreciate Mrs A has also complained about complaint handling by HSBC, explaining they were dissatisfied with a complaint team members early indication HSBC wouldn't pay compensation for the issues raised. Our service can only consider complaints about the provision of, or failure to provide a financial service. I am satisfied this part of Mrs A's complaint is *solely* about complaint handling, and is also about an issue which didn't materialise. HSBC did offer compensation after it had considered the complaint, as such our service doesn't have the authority to investigate it.

Having therefore considered this complaint carefully, I broadly agree with the recommendation of our investigator and am satisfied the compensation of £100 already paid by HSBC is a fair and reasonable considering the impact the distress and inconvenience had on Mrs A. This is in line with what I would expect in the circumstances presented and within the general framework our service uses when assessing compensation amounts.

My final decision

For the reasons I have given, my final decision is I don't require HSBC to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 14 July 2025.

Gareth Jones
Ombudsman