

## **The complaint**

Mr P complains that HSBC UK Bank Plc did not refund a series of payments he says he did not authorise.

## **What happened**

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. In summary, Mr P says his phone was stolen on a night out in the early hours of 24 March 2024. He then noticed two £500 payments on his HSBC account to a third-party.

Mr P raised a claim for the outstanding £1,000 but HSBC said there was no evidence the payments were unauthorised, as his account was protected by biometrics and a PIN. Our Investigator looked into it and felt it was more likely the transactions were authorised.

Mr P disagreed and asked for an Ombudsman's review. In summary, he said that there was plenty of evidence in the media now that there are ways fraudsters can take advantage of weak security on bank apps and that he didn't authorise the payments.

## **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.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

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

When reporting the fraud to HSBC Mr P confirmed that his phone was locked when he says it was stolen and it required Face ID/PIN to open it with no details kept on the phone.

HSBC said that the two payments were made at 16:09 and 17:44 on 24 March 2024 before Mr P called the bank at 18:03 to report his phone stolen. And the payments were made after a successful logon on Mr P's device with the correct PIN.

Mr P has told this service that he did have his details for his HSBC account on his phone passkey. But for a third-party to access Mr P's passkey the third-party would've needed to know his password for his device. Mr P hasn't provided persuasive evidence of how his phone password could've been compromised based on his version of events.

I've considered the evidence from Mr P about the security issues that have been discussed in the media but that doesn't sufficiently explain how a third-party would be able to access his device and the HSBC security information in these particular circumstances. Mr P has confirmed he didn't click on any links, hadn't received any suspicious calls or downloaded any applications where he could've inadvertently shared his banking details and phone password with any third parties. I've also noted that Mr P told HSBC when reporting the fraud that his HSBC details weren't held on his phone.

As a result, I'm not satisfied there was a reasonable point of compromise of Mr P's security details for his device and HSBC banking app.

It's also strange why the third-party would've waited so long before attempting to make payments from Mr P's HSBC account after the phone was stolen in the early hours on the same day. And then the two payments were also made an hour and a half apart with the third-party not asking for the Overdraft to be extended to try and access more money on the account, which I don't consider to be consistent with fraudulent payments where fraudsters will try and remove as much money from an account as quickly as possible after gaining access.

So, on balance, I think it was reasonable for HSBC to decline Mr P's claim.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 February 2026.

Mark Dobson  
**Ombudsman**