DRN-5625617

The complaint

Mr Q complains that HSBC UK Bank Plc blocked a transaction on his account that he had authorised.

What happened

The circumstances of this complaint are well known to both parties for I won't repeat all the details here.

In summary, Mr Q attempted to make a payment to a person who he'd paid before. But as the person had changed banks, Mr Q needed to create a new payee using the new bank account details. As the amount of the transfer was significant and the payment was to a 'new' payee, HSBC's fraud prevention system blocked the payment.

HSBC called Mr Q to verify the payment, but he didn't answer the call, so the payment wasn't sent. The payment was successfully made the next day when Mr Q called HSBC and security checks were completed.

But HSBC has been unable to verify if it sent a follow up text asking Mr Q to call it when its call to him went unanswered which it says is part of its process in these situations. So, when Mr Q complained about what had happened, HSBC paid him £100 compensation by way of an apology.

Mr Q referred his complaint to this service as he's unhappy with HSBC's fraud prevention process and its complaint handling process.

But our investigator didn't think HSBC had done anything significantly wrong when blocked Mr Q's payment request. And she thought that not receiving a text had had minimal impact on Mr Q as the payment had been sent the next day.

So, she thought the £100 compensation payment HSBC had already paid was fair. Mr Q didn't agree with this outcome, so his complaint has been passed to me to decide.

Mr Q has mentioned that he has experienced several other communications problems with HSBC. However, I can only address the complaint that has been referred to us and which HSBC has had the opportunity to respond to. So, for clarity, this decision solely relates to the events concerning the blocked payment.

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.

Having done so I've come to the overall conclusion as the investigator. I realise Mr Q will be disappointed by my decision, so I'll explain why.

I note Mr Q is unhappy with HSBC's fraud prevention system and the steps required to validate a payment. I'd like to explain to Mr Q that it is not within this service's remit to tell a business how to run its security procedures. It is the regulator – the Financial Conduct Authority (FCA), who have the power to instruct HSBC to amend its policies and procedures, if it finds HSBC is doing anything wrong.

But I acknowledge having such procedures in place can – on occasion, mean that legitimate payments get stopped. And I appreciate that this can cause distress and inconvenience to a customer – as it did for Mr Q. But it doesn't necessarily mean HSBC has acted incorrectly as all banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud. This generally means that a bank's fraud prevention system will flag unusual activity on an account – for example, large transactions and payments to new payees, for further security checks. And I've seen that HSBC's account terms and conditions make provision for this.

I acknowledge Mr Q's point that he was making payment to someone he had paid before. But it's not disputed that that the person he was paying had changed their account to a different bank, and Mr Q needed to create a new payee instruction with the new bank details. Given this, I'm satisfied that Mr Q was making a payment to a new payee. And given the amount involved, I don't find HSBC acted unfairly when its automated fraud prevention system flagged the payment for additional security checks.

It's also not in dispute that HSBC tried to call Mr Q to verify the payment. I appreciate Mr Q said he didn't answer the call as it came from an unknown number, and he doesn't answer such calls because he has concerns about 0800 telephone numbers being used by fraudsters.

But it's not for this service to tell HSBC what telephone numbers it should use. And it remains that HSBC did call Mr Q as I would expect it to do having blocked the payment. And – had the call been answered, I think its most likely that the payment would have been verified and sent that day. I say this because the payment was successfully sent when Mr Q called HSBC the following day.

HSBC has acknowledged that it should have sent Mr Q a text message when its call went unanswered, and it says it can't evidence this process was followed. It has paid Mr Q £100 compensation by way of an apology for this oversight. I find this to be fair. As mentioned above, Mr Q called HSBC the following day and the payment was sent. So, I'm not persuaded Mr Q was significantly impacted - because of not receiving the text message, to the extent that further compensation would be warranted.

I've seen that Mr Q is also unhappy as he expected HSBC to call him to discuss his complaint. Generally, complaint handling is not something this service considers as it's not a regulated activity. But, for completeness, I don't find that HSBC was obliged to call Mr Q. HSBC provided a written final response to Mr Q which set out his complaint, provided its answer to it and the reason for its answer. And it provided Mr Q with referral rights to this service. I find this meets the complaint handling rules that are in place for businesses to follow.

Taking all the above into account, I'm not persuaded that HSBC did anything significantly wrong when it blocked and delayed processing Mr Q's transaction. And I find the £100 compensation payment already paid to Mr Q is fair and reasonable. So, I won't be asking HSBC to take any further action in respect of this complaint.

My final decision

For the reasons given, I don't uphold this complaint in the sense that HSBC UK Bank Plc has already paid Mr Q fair compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 5 August 2025.

Sandra Greene
Ombudsman