

The complaint

Miss P complains HSBC UK Bank Plc won't refund two transactions made from her account which she says she did not make or authorise.

What happened

Miss P says her phone was stolen in the early hours of 7 July 2024. Shortly afterwards, two transactions were made from her account totalling £300. She says she didn't make or authorise these payments.

Miss P reported the transactions to HSBC. They said they wouldn't refund them as they'd been made using Miss P's device and the app was accessed using her mobile banking PIN. So they didn't think they were unauthorised. Following a complaint, HSBC still refused to refund the transactions.

Miss P referred her complaint to our service. An Investigator considered the circumstances. She said, in summary, HSBC had provided evidence the transactions were carried out using Miss P's device and the app had been accessed using her mobile banking PIN. So based on what Miss P had told us, she didn't think HSBC had acted unfairly by holding Miss P liable for the transactions.

Miss P didn't accept the Investigator's findings. She wanted to know why HSBC hadn't attempted to recall the funds.

As Miss P didn't agree, the complaint was passed to me.

I issued a provisional decision. I've included my findings again here and they form part of this decision.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the Payment Services Regulations 2017, generally, HSBC can hold Miss P liable for the disputed transactions if the evidence suggests that she made or authorised them.

HSBC has provided evidence the payments were made using Miss P's mobile banking app. This was accessed using Miss P's Mobile Banking PIN. Miss P has told HSBC the PIN was the same as her phone passcode.

Miss P says she last used her phone to buy drinks at a club. The last time a contactless payment was made using Miss P's card via ApplePay was at 12:12am on 7 July 2024. So Miss P says she may have entered her phone passcode at this time – which was the same as her mobile banking PIN - to access ApplePay.

In relation to the phone's theft, Miss P has told us she was checking her phone and then keeping it in her pocket while waiting for an Uber. But on one occasion she went to check it,

she realised it was missing from her pocket. She said this was about 2am. HSBC's notes indicate Miss P told them her phone was snatched from her hand. So it seems Miss P has been inconsistent about how her phone was stolen and when we pointed this out to Miss P, she made no comment on this.

Miss P has told us that she noticed her phone was missing about 2am. But there were card payments made from her account, which she's also disputed but didn't ultimately debit her account, and these payments were made between 1:32am and 1:56am. So before Miss P says her phone was out of her possession. These payments were to Uber and another rideshare service and Miss P has said she had been trying to get an Uber at the time. Although Miss P has said these transactions weren't made by her, they took place at a time she thinks she still had her phone and while she was trying, with difficulty based on what she's said, to book an Uber.

It's possible, given the last known use of Miss P's phone passcode was at 12:12am, that she was observed entering it while paying for drinks in the club. However, it's not then clear how her phone came to be in possession of the thieves and Miss P says the phone was still in her possession until about 2am. I would have expected someone who gained knowledge of Miss P's PIN in this way to have sought to take the phone as soon as possible afterwards.

Even if I accept the phone and Miss P's PIN were obtained in the way she's described, the faster payment transactions in dispute weren't then made until 3:07am and 3:08am. Again, once in possession of Miss P's phone I would have expected an unauthorised party to have attempted the transactions as soon as possible. And if I accept Miss P is mistaken and her phone was stolen earlier than she now remembers, this means the unauthorised party was in possession of her phone for even longer before making the disputed faster payments.

After the disputed transactions, Miss P's mobile banking app was accessed via FaceID at 4:40am. HSBC's evidence shows there were no changes to the device or security credentials for Miss P's mobile banking. So it's unclear to me how Miss P's existing FaceID could have been used after the disputed transactions had taken place if Miss P's phone was then in possession of the thieves.

Based on the evidence I've seen and what Miss P has told us, I'm not persuaded an unauthorised party made the disputed faster payments in the circumstances she's described. So I don't intend to require HSBC to refund them.

Miss P says she doesn't understand why HSBC won't refund these payments, when they refunded the card payments which she says were also made by thieves. But based on the evidence HSBC provided, it looks like these payments were cancelled before they were able to debit her account. So I don't think HSBC agreed to refund them because they accepted them as fraudulent.

Miss P is unhappy HSBC didn't try to recover the disputed payments from the third-party account. But HSBC has provided evidence they did try and recall the funds, but there wasn't any money remaining.

Responses to my provisional decision

HSBC responded to say they had nothing further to add.

Miss P did not respond by the deadline we set.

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.

As neither party has provided anything further for me to consider, I see no reason to depart from my provisional findings.

I remain satisfied the payments Miss P is disputing were more likely than not authorised. So I don't require HSBC to refund them.

My final decision

For the reasons I've explained, I don't uphold Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 25 July 2025.

Eleanor Rippengale
Ombudsman