

The complaint

Ms B complains HSBC UK Bank Plc declined a transfer she needed to make to complete on a property.

What happened

On 26 April 2024 Ms B called HSBC in order to transfer just over £70,000 to an account belonging to a firm of solicitors who were helping with the purchase of a commercial property. The property had already exchanged and completion was due on 30 April 2024.

Ms B says the agent she spoke to told her that she failed security – even though she was adamant she'd answered all of the security questions correctly – and that she'd need to visit a branch to complete the payment. Ms B explained that she wasn't at home – she'd travelled to another part of the country as her mother had just passed away – that she wouldn't be able to visit a branch as none were open over the weekend and that she was going to be busy on the Monday with funeral directors etc so wouldn't be able to do so then either. The agent said that there was nothing more they could do.

Ms B complained to HSBC the same day. HSBC looked into Ms B's complaint and said that it had done nothing wrong as she'd answered one of the security questions incorrectly. Ms B ultimately complained to our service.

One of our investigators looked into Ms B's complaint and during their investigation more and more information came to light, including the fact that HSBC had incorrect data on its system that meant that Ms B answers to HSBC's security questions were factually correct but it didn't look that way. Our investigator said that they thought HSBC was responsible for the incorrect data and, as a result, recommended £200 in compensation.

Ms B was unhappy with our investigator's recommendations saying that she'd incurred costs that significantly exceeded this amount and that she should be compensated for her share of the increase in value of the property that she'd lost out on. She asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

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.

Last month I issued a provisional decision upholding Ms B's complaint. In that decision I said that I thought HSBC should refund wasted costs Ms B had incurred and pay £750 in compensation which included compensation for the disappointment of missing out. I said that I didn't think HSBC should have to compensate Ms B for what she's referred to as her share of the increase in value of the property that she'd lost out on for a number of reasons. In particular, I said:

"The £25,000 that Ms B is asking for isn't, for example, a profit that has actually been made. Until the property in question is sold it won't be clear whether a profit has been made or not – and at the time there was no guarantee that a profit would be made. In addition, it's clear that Ms B's business partner stepped in with her agreement and bought the property outright and will be the one who benefits from any profit eventually made, if any. I also think this type of loss starts to become somewhat remote."

Both parties were invited to reply to my provisional decision – only Ms B did. She said that she agreed with my proposal to refund her wasted costs but wasn't happy with my recommendation that she shouldn't be compensated for she's referred to as her share of the increase in value of the property that she'd lost out on. In particular, she said that she didn't agree she hadn't made a loss, and that her business partner was in any event now selling the property so her losses could be calculated. She also said that the compensation I'd recommended was woefully insufficient given HSBC's behaviour on the call and its lack of co-operation with our service.

I can understand why Ms B is unhappy with what she refers to as "HSBC's behaviour on the call" and its "lack of co-operation with our service" given the way more and more information came to light during our investigation, including the fact that HSBC had incorrect data on its system that meant Ms B answers to HSBC's security questions were factually correct but it didn't look that way. And I can understand why Ms B still wants answers. But what she is, in effect, asking me to do in this case is to award compensation with a view to punishing HSBC. That's not how we approach compensation, or what we do. Our approach is to award compensation based on the impact the business' errors or actions have had on complainants. In this case, for the reasons I'm about to give, I remain of the view that this means I should be awarding Ms B compensation based on the additional stress HSBC caused her – at what was already a difficult time – and the disappointment of missing out on a potentially profitable opportunity. I remain of the view that an award of £750 is fair for that. More importantly, I remain of the view that HSBC should refund Ms B's wasted costs, but not pay her what she's referred to as her share of the increase in value of the property that she'd lost out on. I'll explain why.

In my provisional decision, I gave several reasons why I didn't think it would be fair to tell HSBC to compensate Ms B for what she's referred to as her share of the increase in value of the property that she'd lost out on. The first reason I gave was that the amount Ms B was asking for – £25,000 – wasn't a profit that had actually been made and that until the property in question is sold it won't be clear whether a profit has been made or not. I also said that there was no guarantee that a profit would be made at the time of the transaction.

In response to my provisional decision, Ms B has sent me evidence that her business partner is planning to sell the property that she lost out on and he has an agreed sale subject to contract. That evidence suggests that her business partner will be selling the property for

more than they paid for it. That alone isn't, however, evidence of how much profit they'll make. For example, the increase in value could have been as a result of improvements made to the property which would have cost time and money and other costs could have been incurred in the meantime. In addition, any capital gains would likely be taxed. So, even if I was minded to award Ms B her share of the profits that she'd missed out on – which I'm not - £25,000 wouldn't be the right figure to use. More importantly, the fact that no-one can at this stage say whether or not a profit has been made, and if so how much, wasn't the only reason why I said I wasn't minded to award Ms B what she's referred to as her share of the increase in value of the property that she'd lost out on. The fact that Ms B's business partner stepped in with her agreement and bought the property outright and will be the one who benefits from any profit eventually made, if any, was a significant factor too. As was remoteness. I still remain of that view. It wouldn't, in my opinion, feel fair to tell HSBC to pay Ms B 50% of the profit that's ultimately made – which her business partner will pocket in full – given that Ms B agreed to her business partner stepping in and buying the property outright. That doesn't, in my opinion, stop me award Ms B compensation for the disappointment of missing out on a potentially profitable opportunity which is, in my opinion, the fairer way to resolve matters. So, that's what I'm going.

Putting things right

In my provisional decision I said that I was minded to award Ms B £750 in compensation for the distress and inconvenience she's been caused – including compensation for the disappointment of missing out – as well as requiring HSBC to refund her wasted costs. Having considered the additional evidence and comments that Ms B has sent in, I remain of the view that this is a fair outcome. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require HSBC UK Bank Plc to pay Ms B £750 in compensation for the distress and inconvenience she's been caused and to pay her £1,070 for her wasted costs in full and final settlement of this complaint.

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

Nicolas Atkinson
Ombudsman