

The complaint

Miss P complains HSBC UK Bank PLC has removed a credit from her account incorrectly which has left her overdrawn. She doesn't think it's treated her fairly.

What happened

A summary is below.

Miss P holds an account with HSBC. In February 2025, she raised a dispute about some payments that had left her account between November 2024 and January 2025, using her card details, to a company she had an arrangement with. HSBC took details of the dispute and sent Miss P a form to complete, requesting further information, so that it could investigate with the merchant. In the meantime, it placed a credit on the account for the funds.

HSBC later debited the account with the credit it had applied, when it was unable to progress the claim. However, this left the account overdrawn because there weren't sufficient funds in it. Miss P complained about this, believing there had been a mistake and she'd been treated unfairly.

One of our investigators reviewed things but he didn't find an error. He said, the bank had taken the credit back in line with what it had said could happen. He highlighted, Miss P had transferred the temporary credit she'd been given to another account on 24 February, which meant that the funds were no longer in the account into which they had been placed, and as she'd been forewarned that her account would be debited, he couldn't see how the bank was at fault for the situation that had arisen.

Miss P didn't accept the investigators conclusions and in line with our process, the case was put forward for a 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.

In line with our quick and informal service, I will address what I consider are the key issues to reach a fair resolution. This means I might not comment on everything, though I have read everything as part of the review.

I'm sorry to disappoint Miss P but I'm not upholding her complaint. I'll explain why.

- It's important to understand the payments that Miss P was disputing were taken by a company that she had an arrangement with – not HSBC. So, when HSBC gave her a credit for the payments, these weren't the funds that the company had taken. This was HSBC's money and there was a possibility it could take this back depending on the outcome of the claim.

- I've looked through the emails/letters that HSBC sent to Miss P about this and I'm satisfied it made her aware of this position. In a communication dated 24 February it said:

"I'm pleased to see the credits have now been applied to your account. I would like to take this opportunity to advise that a temporary credit isn't always guaranteed and if the outcome of the dispute is that you are liable, we will debit your account regardless of available funds. If this was to be the outcome, we would let you know in advance, Our Disputes Team will now investigate your claim and respond as soon as possible".

- HSBC didn't deem it had sufficient information to pursue the claim. And it sent Miss P further communications on 26 February about this, which said

"After assessing this matter further under the Visa Rules and Regulations, we are unable to obtain reimbursement from the retailers bank...This decision was made due to insufficient details required to proceed with the chargeback request. Hence, we are unable to assist.

"As we had credited your account with the disputed amount at the time of your original enquiry, were going to debit your account"

The letter went onto say that the funds would be removed seven days from the date of the letter and suggested Miss P ensure she had sufficient funds to cover the debit. Given all of this, I haven't found the bank made a mistake in debiting the account – and I'm satisfied that it gave sufficient notice of the steps it would be taking.

- When HSBC gave Miss P the credit on 24 February, she withdrew this almost immediately. I don't know if she still has that money but if she does, she could return that to the bank to reduce the overdraft. But, if she's experiencing financial difficulties, then I would urge her to speak with HSBC collections team to see if it can offer her a repayment plan. And, if Miss P still believes the payments taken by the company weren't done so correctly, she has the option of contacting them direct to seek recovery.

All of this considered, I haven't found an error on the bank's part in the account being debited as it was.

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 Miss P to accept or reject my decision before 30 September 2025.

Sarita Taylor
Ombudsman