

The complaint

Mr T is unhappy with several aspects of the service that he's received from HSBC UK Bank Plc regarding his credit card account, including that a payment of £190 he made to HSBC wasn't allocated to his account.

What happened

Mr T, who resides overseas, had a credit card account with HSBC and had a direct debit in place to make the contractually required monthly payments. In June 2024, Mr T complained to HSBC because he hadn't been told that his direct debit had been cancelled which had caused him to miss several payments on the account.

HSBC responded to Mr T on 10 June 2024 and upheld his complaint. HSBC apologised for what had happened, removed the missed payment markers from Mr T's credit file, and paid £30 compensation to him. HSBC also reset the direct debit to take monthly payments for the credit account from July 2024 onwards.

HSBC then applied for the direct debit payment in July as scheduled, but the payment failed. And the same thing happened in both August and September, such that Mr T's account fell three months into arrears with a combined arrears total of £189.87.

On 26 September, Mr T made a manual payment of £190 to HSBC from an account he held with another bank (which I'll refer to as 'X'). But while this £190 payment showed as having left Mr T's X account on 30 September, it didn't show as being credited to Mr T's HSBC credit account by HSBC, who had no record of the payment being received by them.

Because HSBC had no record of receiving the £190 payment, Mr T's account remained £189.87 in arrears. Because of this, HSBC issued a default notice to Mr T on 9 October, which explained that Mr T needed to clear the outstanding arrears on his account within the next few weeks.

On 25 October, Mr T spoke with HSBC and was unhappy that HSBC couldn't locate that £190 manual payment that he'd made, which would have cleared his arrears. Mr T explained that he'd tried to make a payment via the HSBC mobile app but that the app hadn't worked. Mr T then went on to explain that he was unwilling to make any further payments to HSBC until they located then £190 that he'd paid to them that was missing. HSBC's agent raised a complaint for Mr T because of his concerns.

On 31 October, with Mr T's account still being in arrears at the time of the 30 October deadline given in the default notice, HSBC issued a final demand to Mr T. This demand explained that Mr T now needed to repay the full balance of the account - £2,531.74 – by 18 November, and that if Mr T did not, that HSBC might then move to default his account. Mr T didn't make the required payment to satisfy the final demand, and on 25 November HSBC did then move to default his account.

HSBC responded to Mr T's complaint and explained that they could see no reason why the direct debit payments weren't being received and asked Mr T to check the matter with the

sending bank. HSBC also noted that they would conduct a search for the £190 that Mr T had made but again asked Mr T to ask the sending bank to attempt to look for this money also.

Finally, HSBC said that, given that they hadn't received a payment from Mr T for several months, they didn't feel that they'd done anything wrong by following the arrears process they had, including that they had defaulted Mr T's account. Mr T wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint and liaised with Mr T and HSBC about it. During their review, HSBC confirmed that they had no record of receiving the £190 that Mr T had paid to them. However, as a goodwill gesture, HSBC offered to reimburse the £190 to Mr T and pay £100 compensation for any trouble or upset he may have caused. Mr T didn't accept the offer put forward by HSBC and felt that HSBC should remove the default and all adverse reporting from his credit file, write off the account balance, and pay £6,000 compensation to him – a request which HSBC declined.

Accordingly, with neither Mr T nor HSBC accepting of each other's position, the complaint was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 5 November 2025 as follows:

In his submissions to this service, Mr T has made several references to the events that took place in the first half of 2024, which Mr T complained to HSBC about in June and to which HSBC formally responded on 10 June 2024. In their formal complaint response, HSBC explained that if Mr T remained dissatisfied, he had the right to refer his complaint to this service so long as he did so within six months of the date of HSBC's complaint response. This meant that Mr T had until 10 December 2024 to refer any ongoing dissatisfaction he may have had about that complaint to us.

Unfortunately, while Mr T did refer his ongoing and subsequent dissatisfaction to this service, he did so on 16 December 2024. This was after the six-month window for Mr T to refer his earlier complaint to us had expired. And this means that Mr T has unfortunately referred these aspects of his dissatisfaction to this service too late for us to consider them.

This is as per the rules by which this service must abide, which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook. These rules do that HSBC can give us permission to consider a complaint if its referred outside of the six-month window, but HSBC haven't in this instance (and neither are they reasonably expected to do so).

The rules also include that a late referral can be considered by this service if there are exceptional circumstances that tangibly prevented a complainant from referring their complaint in time. But this clause has a very high bar, and in this instance Mr T was able to continue correspondence with HSBC including raising another complaint with them. As such, I'm satisfied that Mr T wasn't tangibly prevented from referring his earlier complaint to us within the six-month window, and that therefore the exceptional circumstances clause does not apply.

As such, the starting point of my review here is the resolution of Mr T's earlier complaint, when the direct debit to make the monthly payments to the credit account was reset.

Following the resetting of the direct debit, the next three payments that HSBC attempted to take by direct debit, in July, August, and September 2024, all failed. Given that Mr T had just had a complaint resolved where he had fallen into arrears because direct debit payments he was expecting to have been taken weren't made, and during which time Mr T hadn't checked and confirmed that the payments he was expecting to have been made were being made, I would reasonably have expected Mr T to have checked that the payments for the reset direct debit from July onwards were being made.

When Mr T's direct debit payments were unsuccessful, HSBC sent account arrears notifications to Mr T, including one in September 2024 when Mr T's account was £189.87 in arrears. In response to this notification, Mr T made a manual payment of £190 from his X account to HSBC at the end of September, which would have cleared the account arrears in full. However, while Mr T's account statements for X show that they payment left the account, HSBC have no record of receiving it.

Mr T feels that HSBC have received that £190 and that the fact that they can't locate that payment is effectively their problem, and that therefore his account shouldn't be considered as being in arrears after the end of September. Conversely, HSBC maintain that they have no record of receiving the payment and confirm that they are unwilling to credit Mr T's account with an amount they haven't received.

It's unclear why HSBC haven't received the £190 that Mr T sent, or which party bears the responsibility for any error that may have been made. In their ongoing correspondence with Mr T, HSBC asked Mr T from the outset to ask his sending bank, X, to place a trace on the payment. This seems reasonable to me, given that the receiving bank, HSBC, have no record of the payment, and given that the sending bank, X, would have a record of to which account the payment has been sent. But Mr T hasn't been able to provide any details from X about which account the payment was sent to, as I would reasonably expect X to provide.

If Mr T is having difficulty obtaining this information from X then I feel that would unfortunately be a matter for Mr T to take up with X himself. But I wouldn't reasonably expect HSBC to credit the £190 to Mr T's account as he would like them to here, given that HSBC have conducted searches for that £190 but haven't been able to locate it.

Furthermore, given that Mr T made that £190 payment to clear arrears that had accrued on his account – arrears which I'm satisfied that Mr T himself, as the account holder, bears the sole responsibility for – I would reasonably have expected Mr T to have made a replacement payment when he spoke with HSBC on 25 October 2024, after the default notice was issued, so that the position of his account was recovered. But Mr T didn't do this. Instead, he told HSBC that he was unwilling to make any further payments until his £190 had been found by HSBC. And by taking this stance, I feel that Mr T missed the opportunity to avoid HSBC continuing their account arrears and collections process on his account and tacitly accepted the consequences of his account remaining in arrears.

Mr T has said that he tried every available means of making the payments to his HSBC account, including that he called HSBC on numerous occasions, and he notes that he was prevented from making the payments via HSBC's app because the app wasn't working. But I don't feel that the information and evidence that Mr T has provided in support of these claims corroborates his position. This is because Mr T has only been able to demonstrate that he called HSBC on one day in September, when Mr T had a series of short calls he says the HSBC cut off (although I feel given that Mr T is overseas, connection issues may be a more plausible explanation) and on one day in October, as described above, when Mr T stated his unwillingness to make any further payments.

It's unclear why Mr T experienced issues accessing HSBC's mobile banking app, but his overseas location may have played a role in this also. However, Mr T didn't need to access HSBC's mobile banking app to have made a payment to his account. Instead, he could have done so using X's mobile banking app, using his HSBC credit account number as a reference. Mr T could also have made payment by telephone.

Mr T is unhappy that on one occasion HSBC recommended that he visit a HSBC branch in the overseas country in which he resides. But while Mr T is correct that he wouldn't have been able to make a payment directly from a local branch, staff at that branch could have identified him and helped him contact HSBC UK using their telephone – a service that HSBC UK branches provide to overseas HSBC customers present in the UK who bank with other global HSBC entities.

Ultimately, HSBC didn't receive any payment from Mr T towards his credit account for several months, and so it doesn't seem unfair or unreasonable to me that they've followed the arrears and collections processes that they have. And while I appreciate that Mr T feels that he's made a payment to HSBC, that payment hasn't been received by HSBC, who have conducted searches for it. I also feel that Mr T has had the opportunity to provide HSBC with the information they need from X to help them search for the payment, to have X seek to recover the payment themselves, or to have made a replacement payment to avoid the defaulting of his account.

Finally, I note that Mr T has said that because HSBC have offered to credit his account with £190 given that they can't locate the payment with the information they presently have and have offered to pay £100 compensation to Mr T for his trouble, that HSBC have accepted that they are responsible for the missing payment.

I don't agree with Mr T's position in this regard, and HSBC have made it clear that they don't feel that they have done anything wrong and have made that offer solely as a gesture of goodwill to try to resolve this complaint and not prolong matters for their customer, Mr T. Given that I don't presently feel that HSBC have acted unfairly or unreasonably here, as explained above, I had thought about rescinding HSBC's goodwill offer. But on consideration I don't feel that it's necessary for me to effectively deny Mr T a combined payment of £290 based on principle. And I'm satisfied that HSBC can make this offer to Mr T without any admission of responsibility or blame on their behalf.

Accordingly, my provisional decision here is that I uphold this complaint in Mr T's favour solely to instruct HSBC to make the goodwill gesture that they've offered, but I don't provisionally uphold this complaint in any other way. If Mr T can clearly show that the error here lies with HSBC, then I may reconsider my position. But without any such clear evidence, I don't feel that it can fairly or reasonably be said that HSBC have acted unfairly towards him.

Mr T responded to my provisional decision and raised several objections to it. However, some of these objections referred to aspects of Mr T's complaint which I explained in my provisional decision were outside the scope of what I consider, because Mr T didn't refer those complaint points to this service within the six-month window for him to do so.

Mr T has also explained why he referred those earlier complaint points too late, and while I understand from Mr T's explanation why he referred those points of complaint late, the fact remains that he did refer those points of complaint late, and I don't feel that Mr T's explanation qualifies as 'exceptional circumstances' such that that clause should apply.

Accordingly, I remain satisfied that those earlier points of complaint can't be considered by this service, and I won't refer to them any further in this letter.

Mr T has also said that he feels he has provided evidence of the £190 payment leaving his account, via his bank statements and the payment reference code he's submitted and asks whether I feel he should have paid additional money to HSBC while HSBC were unable to locate money he had already paid.

But as explained, HSBC have tried to locate Mr T's money using the information he's provided and have been unable to do so. Additionally, I'm not convinced that Mr T has explored every option available to him with the sending bank, such as asking them to recall the payment or conduct a trace for the payment. If X are unable to conduct a trace of the payment as Mr T suggests – despite such a trace being a common undertaking in circumstances such as these – then that would be a matter between Mr T and X.

Furthermore, to answer to Mr T's direct question: I would reasonably have expected him to have made a replacement payment after being told that the £190 payment he'd instructed hadn't been received by HSBC, especially given the adverse arrears position of his account at that time. And, in response to another of Mr T's objections, given the lack of information received from X about the £190 payment, such as confirmation of the exact account it was sent to - as would generally be provided by a payment trace – I don't feel that it has been clearly evidenced that HSBC should be considered accountable and responsible for Mr T's money going missing, because I can't confirm that X have processed the payment correctly.

Mr T has also referred to the evidence he provided regarding the calls he made to HSBC and the screenshots of their app not working when he wanted to use it. However, I feel that I've already covered these points in my provisional decision letter, and I don't feel that Mr T raises any new points in these regards. I also reiterate that, regarding paying HSBC, Mr T didn't need HSBC's app to be working – he could have made a payment to HSBC using X's mobile banking app.

Mr T also raises a new point about account service limitations while overseas. Speaking generally, it seems apparent and obvious to me that there would be service limitations for an account holder while they are overseas, given that an account holder can't visit a UK branch and may be in a territory which has internet network controls that aren't present in the UK.

However, I'm unable to comment this point more specifically as Mr T hasn't previously raised this point as a complaint with HSBC, meaning that HSBC haven't had the opportunity to consider and respond to it. This service can only consider points of complaint that have been previously referred to the respondent business. As such, I can only refer Mr T to HSBC to raise this matter with them directly. And after HSBC have had a formal opportunity to consider that point of complaint, Mr T may have the right to refer that complaint to this service, should he wish to do so.

Mr T also continues to feel that HSBC's advice to visit an overseas HSBC branch local to him was nonsensical. As has been explained, while overseas branch staff wouldn't have been able to access Mr T's account directly, they could have taken him through security and set up a phone call to HSBC UK. It's my understanding that Mr T received this advice at a time when he hadn't been cleared through HSBC's account security process. However, if this is wrong then I apologise, and I would agree that if that were not the case that the advice would be illogical. However, Mr T didn't follow that advice and didn't visit an overseas branch, and so there was little impact on him. As such, I don't feel that HSBC need to do anything further in this regard.

Mr T has also questioned why, if HSBC are offering £100 compensation, what that compensation is for, with the implication being that the offer itself constitutes an admission of error. Again, I feel that I've clearly covered this point in my provisional decision letter, but to confirm, the £100 payment is a goodwill gesture, and as such I'm satisfied it doesn't constitute an admission of error.

I also confirm that if HSBC hadn't offered to reimburse the £190 to Mr T and pay a £100 goodwill gesture to him, I wouldn't be instructing them to do so, because I don't feel that it can be fairly or reasonably said that HSBC have done anything wrong here. But, given that HSBC have made those offers to Mr T, I'm obliged to formally instruct HSBC to honour those offers, which is the reason that I'm upholding this complaint in the limited manner that I am.

Finally, Mr T has questioned why HSBC haven't paused collections and recoveries actions while our service has been considering his complaint. However, while this service can ask a business to pause collections and recoveries action while a complaint is with us, there is no requirement that a business must do so.

I appreciate that this won't be the outcome that Mr T was wanting here, but my position on this complaint remains as explained in my provisional decision above. Ultimately, Mr T didn't meet his contractual payment obligations to HSBC, and I feel that HSBC clearly explained to Mr T that the £190 he'd instructed to them hadn't been received by HSBC and so wouldn't be considered as a payment to his account.

Putting things right

HSBC must pay the £190 and £100 to Mr T that they've already offered to pay.

My final decision

My final decision is that I uphold this complaint against HSBC UK Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 December 2025.

Paul Cooper
Ombudsman