

The complaint

Miss B has complained HSBC UK Bank plc contributed to her distress and upset after being the victim of fraud in August 2025.

What happened

In August 2025 whilst visiting family overseas, Miss B was a victim of theft. Her phone was stolen and then used to make transfers to other accounts. Miss B complained within a short period but found HSBC unhelpful. Miss B felt that she had to sort out what happened rather than rely on HSBC.

Payments had been made to another of Miss B's accounts which was then compromised. This payment institution required confirmation from HSBC why they wouldn't be refunding Miss B. Eventually this was sorted but it took two months for HSBC to refund £11,000 to her.

HSBC recognised that their service wasn't as it should have been and paid her £150 compensation along with the costs of her international phone calls.

Miss B remained upset as she felt this didn't take into account the prolonged impact their lack of action had on her. She wanted compensation to be nearer to £1,000 and brought her complaint to the ombudsman service.

Our investigator felt that HSBC had now done what was expected. They apologised, recognised their failings and paid suitable compensation to Miss B. He wasn't going to ask them to do anything further.

Miss remained unhappy and provided further testimony from a health professional about the impact of HSBC's inaction. She's asked an ombudsman to consider her complaint.

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 reached a slightly different conclusion to our investigator. I've already told HSBC that I feel compensation should be slightly higher. I will be asking them to pay a further £100 to Miss B and they have agreed to this revised outcome. I'll explain why.

There's no dispute Miss B was a victim of fraud. For a number of reasons, HSBC didn't escalate her complaint properly or arrange any refund of her disputed funds. I can see why they may have felt – that as funds were paid to other accounts in her name – that the point of loss wasn't her HSBC account.

However, that doesn't mean they shouldn't have done more to assist Miss B. Being a victim of fraud is in itself upsetting but we often see that when banks sort things out promptly and in line with the existing regulations, this limits the impact on their customer. This didn't happen here and all parties accept this is the case.

HSBC has apologised and did put things right, but it took about two months for Miss B to be refunded. During the time after the fraud, she spent more than 500 minutes on the phone to HSBC. This seems excessive when I look at the nature of the fraud and the fact that Miss B was overseas and therefore in a more vulnerable position than she may have been.

Miss B has also submitted a report from a medical practitioner confirming that the consequent delay in sorting things out and the lack of support provided by HSBC meant Miss B's psychological distress was "*substantially exacerbated*".

I know Miss B believes substantial compensation is payable. I don't wholly agree. But I have considered what she's told us. I have also considered our guidelines when reviewing what compensation is appropriate. This confirms an award from £100 to £300 might be suitable where there is a larger single mistake requiring a reasonable effort to sort out. This leads me to confirm that a total of £250 is fair and reasonable, which HSBC has agreed to pay.

I accept that Miss B may continue to feel this is lower than she believes is right, however I won't be asking HSBC to do anything more than this.

My final decision

For the reasons given, my final decision is to instruct HSBC UK Bank plc to pay a total of £250 for the distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 18 March 2026.

Sandra Quinn
Ombudsman