

The complaint

Mr H complained that HSBC UK Bank Plc provided poor service when he asked to permanently change his cash withdrawal limit.

What happened

Mr H asked HSBC to permanently increase his cash withdrawal limit via the webchat.

HSBC asked Mr H questions about his request which led to him to believe his limit could be increased permanently but later he was told this would only be a temporary change due to the criteria check not clearing.

Mr H said he wasn't initially told about the checks and asked to raise a complaint about this. The agent sent Mr H a link to raise his complaint online. Mr H explained he was a vulnerable and disabled customer and wanted the agent to raise this on his behalf.

The agent explained there was "high chat volumes" and instead of raising the complaint, offered to change Mr H's limit permanently.

Mr H agreed to this but told the agent he still wanted to raise his complaint due to the inconvenience caused.

After further delay, the agent signposted him back to the website to raise a complaint. Mr H continued to express his dissatisfaction with the lack of response and reiterated his request for the agent to raise this on his behalf.

The agent completed the checks again and told Mr H they hadn't cleared, so he couldn't permanently increase Mr H's cash withdrawal limit.

Mr H told the agent he was unhappy with the conflicting information provided and the agent then raised a complaint.

Mr H explained he felt discriminated against after experiencing significant delays, misinformation and refusal to set up a complaint, even after he told the agent he was vulnerable.

HSBC agreed there had been poor service provided and offered £120 in compensation, but Mr H rejected this offer and brought his complaint to this service.

The investigator agreed with HSBC's offer of £120 to put things right.

Mr H did not agree with the investigator's view and asked for his complaint to be escalated to an Ombudsman.

In my recent provisional decision, I said:

"I spoke with HSBC about the errors made when dealing with Mr H's request and they offered to slightly increase their offer. However, I still don't think what HSBC proposed is fair for the reasons set out below.

HSBC agrees there were errors made when handling the request to increase Mr H's cash withdrawal limit. It's my role to consider the effect these errors had.

I think the first error stems from the lack of communication when HSBC was first assessing Mr H's request. When the agent asked Mr H about the specifics, he asked clarifying questions such as "do you want to increase or decrease your limit?" and "would you like a temporary or permanent increase to your limit?". Without informing Mr H that his request is subject to certain criteria checks, he was unaware this may not be approved.

When the agent then tells Mr H the limit has been increased temporarily, Mr H think's his query was misunderstood and asks why it hasn't been actioned permanently. Had the advisor been clear about the process from the outset, then Mr H wouldn't have been confused when he was told the checks had not cleared, as he would have been better informed about the process.

Mr H made it clear from early in the conversation that he had vulnerabilities, and I'm not persuaded the agent supported him in a way I would expect. Despite Mr H saying, "I have a disability and would like you to raise [the complaint] for me" the agent continued to signpost him to the website. It took 1 hour and 41 minutes from Mr H's first request, for the agent to successfully raise the complaint. I don't think the time taken to log Mr H's complaint or the repeated signposting to the website is fair here, as it's clear Mr H asked for support with this.

In addition to this, when Mr H first requested to raise a complaint, the agent offered to permanently increase his limit instead of logging the complaint, which was unusual given he had previously said Mr H had not met the criteria. This led to even more frustration when he later told Mr H that he had not met the criteria again. I can understand this must have been confusing for Mr H as the agent went back and forth about the decision to permanently increase his cash withdrawal limit.

There had been lack of communication, unnecessary delays, incorrect information provided and refusal to log a complaint; all of which impacted Mr H.

I also was sorry to read that Mr H couldn't sleep and had panic attacks due to feeling distressed after the interactions with HSBC.

HSBC has accepted that it provided Mr H with poor customer service. Mr H doesn't see it that way. He believes that what HSBC has done goes beyond poor customer service. Mr H felt discriminated against. I can understand why Mr H feels this way, and I do think HSBC hasn't quite grasped how its actions have made Mr H feel. So, I'm going to tell HSBC to award compensation to acknowledge this.

As there are multiple instances of errors made by HSBC, I don't think £120 is reasonable in this circumstance.

I think HSBC should pay Mr H £250 in compensation in recognition of the errors made."

Responses to my provisional decision:

HSBC responded to say it accepted my decision.

Mr H said he thinks the compensation award should be higher because HSBC did not recognise the impact that the service had on him, which included panic and anxiety attacks.

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.

Within my provisional decision, I found that there had been multiple errors made by HSBC, and due to this Mr H experienced distress and inconvenience. As a result, I said I was likely to increase the compensation to £250.

I appreciate that Mr H thinks more compensation is due, but as no new evidence or information has been provided, I am satisfied that my provisional decision can now become my final decision.

HSBC should pay Mr H £250 in compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint.

I require HSBC Bank UK PLC TO Pay Mr H £250 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 April 2026.

Jessica Lees
Ombudsman