

The complaint

X complains about the service received from HSBC UK Bank Plc (“HSBC”) when it processed two refund requests for a payment that was only sent once leaving her out of pocket.

What happened

On 2 September X mistakenly made a transfer of £2,000 into their account from an account held abroad. X noticed the error and raised a formal cancellation request with her bank.

HSBC received two requests to return the payment. HSBC emailed X about this and following receiving X’s authority to debit the two requests HSBC actioned this and returned two payments of £2,000 to the sending bank on 16 and 17 September. But as X’s account had never received a second payment their account was left £2,000 short with the account abroad only receiving one returned payment.

X contacted HSBC about this and requested one of the payments be reversed. HSBC’s agent confirmed one of the payments had been taken by mistake and would be refunded. But despite chasing and making numerous calls about this it didn’t happen and so X raised a complaint with HSBC about this on 3 October.

HSBC issued its final response on 6 October 2025 and didn’t uphold X’s complaint as it says there had been no error on its behalf as it had acted on advice from X. HSBC advised X that they should reach out to the sending bank to trace the return of the funds and then send one of them back to the HSBC account.

X was dissatisfied with this and so brought the complaint to this service.

X says the prolonged delay has caused significant inconvenience and financial harm. X says her account became overdrawn as a result of HSBC’s error and she has had difficulty paying bills and direct debits and repeatedly charged overdraft fees and had to spend time making phone calls to HSBC over several weeks with the matter still unresolved.

X wants the immediate return of the missing amount to her HSBC account and to be compensated for the cost of calls and financial and practical impact caused by the prolonged delay.

Following this on 6 January 2026 £1,950 was credited to X’s account (representing the returned payment minus £50 in charges).

In order to resolve X’s complaint HSBC initially offered £200 for the distress and inconvenience caused and then £300 plus £50 to cover the transfer fee which X rejected as they didn’t believe it reflected the full extent of the inconvenience, financial loss and distress experienced and believes compensation in the range of £400-£600 would be appropriate.

One of our investigators looked into X’s concerns and although they acknowledged the issues arose because of a payment mistake on X’s behalf they thought HSBC should’ve

identified that the same authority was being used twice and avoided taking two payments and that there had been delays on HSBC's part in correcting the situation and that the service provided wasn't as good as it should've been with X being passed between teams without being given clear answers or updates.

They thought as HSBC had already refunded overdraft charges for the missing funds that HSBC's offer of £350 was fair for the distress, time and inconvenience suffered including the transfer fee, but thought that HSBC should also pay 8% simple interest on the £2,000 for the periods where the delay was within its control:

- 17 September to 23 October 2025; and
- 24 December 2025 to January 2026 when the funds were returned.

But they didn't think that HSBC should pay interest for the period in-between as it was waiting for authority from the sending bank and couldn't progress X's complaint in that time. They also weren't persuaded HSBC was responsible for all the call costs X had submitted as some appeared to relate to other international numbers and they hadn't seen a fully itemised breakdown.

HSBC agreed to our investigator's recommendations, but X didn't and so the complaint was progressed for an ombudsman's 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 hope that X won't take it as a discourtesy that I've described this complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of X's complaint is about the service received by HSBC when a payment was mistakenly taken from her account twice leaving her out of pocket.

It might help if I explain my role is to look at the problems X has experienced and see if HSBC has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put X back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

It is not in dispute that something went wrong in the return and processing of a payment from X's account and that X was left £2,000 out of pocket for just under four months. Fortunately, the funds have now been returned to X – albeit not until after X had to bring her complaint to this service and minus the £50 transfer charge.

HSBC have accepted its service wasn't as good as it should have been and offered to compensate X £350 (including the £50 transfer fee) and agreed to pay X 8% simple interest on the £2,000 for the periods our investigator deemed HSBC responsible for the delays experienced.

So all I have to decide is whether this a fair and reasonable amount of compensation for the distress and inconvenience X suffered as a result of HSBC's error and the service X received surrounding this.

And having carefully considered everything, I think it is.

I say this as X has now received the funds she was missing and has been refunded for any overdraft and intermediary charges suffered. And as HSBC have agreed to pay 8% interest on £2,000 for the periods where HSBC contributed to the delays – which I agree with - I consider X will be in the position she'd be in if the mistakes hadn't happened.

And although I agree that this matter has taken longer than it should have to resolve, the service X received from HSBC was poor and she had to spend time and money on calls chasing the matter up, as well as bring her complaint to this service, it must be remembered that HSBC isn't solely responsible for what happened or the delays incurred.

And so I think the £300 compensation HSBC has offered is fair, as although I accept X spent time and money on calls to HSBC, I believe £300 is enough to compensate for this and I'm not persuaded an uplift on this amount would make a material difference to the outcome.

So on this basis I think HSBC's offer of £350 compensation and our investigators recommendations HSBC pay simple interest on the £2,000 for delays in return of the funds that can be attributed to HSBC is a fair way to settle X's complaint.

Putting things right

HSBC should now:

- Pay X £350 compensation; and
- Pay 8% simple interest on £2,000 for the periods:
 - 17 September to 23 October 2025 and
 - 24 December 2025 to 6 January 2026 when the funds were returned.

My final decision

For the reasons I've explained, I uphold X's complaint against HSBC UK Bank Plc and direct it pay the fair compensation as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 21 May 2026.

Caroline Davies
Ombudsman