

complaint

Mr Q complains that he did not authorise a number of transactions that were made from his account with HSBC Bank Plc. As a result, his account became overdrawn and the bank passed this information to credit reference agencies.

background

Mr Q said that between May and July 2010 a number of online payments were made from his account without his authority. He later clarified this to include transactions from April 2010. For some of this time he says he was abroad and unable to make online transactions.

The bank investigated Mr Q's concerns but did not agree that the payments were unauthorised. It said that:

- A significant number of the disputed transactions had been authenticated using the Verified by Visa service and the bank did not think it likely a third party would have been able to obtain the password if it had not been provided to them.
- One of IP addresses used to make the disputed transactions was also used for payments which are not disputed.

Mr Q went on to stop using his account and, as it was overdrawn, the bank referred the account to its recoveries team. A repayment plan was agreed between Mr Q and the bank but Mr Q says he was not aware adverse information would be registered about him. The bank has said it wrote to him to explain this would happen.

HSBC has said that even if it had agreed that the payments were unauthorised, there would still have been a debt owed to it. So the bank would still have passed adverse information to credit reference agencies.

An adjudicator investigated Mr Q's concerns and concluded that it was more likely than not that he authorised the majority of the transactions but some of them, totalling £380.29, should be refunded. The adjudicator did not believe this affected the registration of adverse data.

The bank agreed with the adjudicator's findings but Mr Q did not. He is certain he did not authorise any of the disputed transactions and he remains unhappy with the default applied by the bank.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusions as the adjudicator.

the disputed transactions

Given the passage of time, some of the evidence about the disputed transactions is incomplete or uncertain. For example, HSBC cannot provide information about when the Verified by Visa password was initially created. Also, while the complaint has been with this service, Mr Q has amended his recollection of events.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Taking everything into account, I believe it is likely that Mr Q either made the disputed transactions himself or provided his card and security details to whoever made them.

I accept that there is evidence supporting Mr Q's argument that he was abroad when some of the transactions were made. But another person would have been able to make the transaction if they had been supplied with the card details and password. As the details were probably provided by Mr Q, I believe it reasonable to say the transactions were either directly authorised or carried out with his consent. With this in mind I am satisfied that the bank was entitled to hold Mr Q liable for the transactions that were confirmed by Verified by Visa.

I note that one of the disputed transactions did receive a partial refund from the merchant. This does not mean I believe the transaction was unauthorised, or that a third party had been able to obtain the necessary password illicitly. Instead I believe the partial refund is most likely to represent a mistake made by the merchant at the time in relation to the price charged and the refund was a correction of this error.

HSBC was not able to provide any information to show the remaining disputed transactions were authorised, and they were not made with any additional security information. The bank has agreed to refund these transactions totalling £380.29 and I am satisfied that this is fair.

the default

When Mr Q stopped using his account, the debt owed to the bank was more than the amount the bank now proposes to refund. This means that even if the bank had never held Mr Q liable for those transactions, he would still have had a debt at the time he stopped using the account. So I am satisfied that the repayment plan and the default would have happened anyway.

HSBC is expected to report information that is a true reflection of the conduct of an account. In light of this, I do not think the bank acted incorrectly when it passed information to credit reference agencies.

I realise that Mr Q will be disappointed by my decision but I do not find that the adverse data should be removed.

my final decision

My final decision is that HSBC Bank Plc should refund £380.29 to Mr Q.

Colin Brown
ombudsman