

complaint

Mr S complains that HSBC UK Bank Plc allowed him to withdraw money from his account without identification or his debit card.

Mr S is represented by his father in bringing this complaint. But for clarity – I'll refer to all submissions as being made by him directly.

background

On 12 June 2018 Mr S visited an HSBC branch and withdrew £1,000 using his full driving license as proof of identification. He wasn't able to use his debit card as it had been taken by his parents beforehand. They were trying to help him through the financial difficulties he was experiencing by restricting his ability to access his money.

When Mr S withdrew his money on 12 June 2018 his signature matched the bank's records and the withdrawal form was completed. Six days later he visited the same branch again where he withdrew £500 from his account. And an hour later he attended the same branch again and withdrew a further £700. On the second and third attendance, Mr S wasn't able to produce any identification because, by now, this had also been taken by his parents. His parents thought this would stop him being able to withdraw money from his account. But HSBC said it allowed the two transactions on 18 June 2018 as Mr S had been identified by staff, who'd recognised him from the previous week. And it said his signature matched the one it held for him.

The funds Mr S withdrew had been received via a payday loan. He used the money to gamble and complained to HSBC that it shouldn't have allowed him to withdraw the money without valid identification. He said, in doing so, it had failed to correctly and securely manage his account. He also said that by allowing this to happen it had placed him in substantial debt. To resolve his complaint, he asked HSBC to refund the £1,200 he'd withdrawn on 18 June 2018.

But HSBC didn't uphold Mr S' complaint so he referred it to us. While our adjudicator empathised with him, they didn't think that HSBC had done anything wrong or needed to do anything more here. Mr S didn't agree with this and asked for the matter to be referred to an ombudsman.

my findings

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 the same overall conclusion as the adjudicator for broadly the same reasons. I appreciate this will come as a disappointment to Mr S so I'll explain why.

I think it's important to say at the outset that, based on what I've seen, I don't think it was wrong of HSBC to allow Mr S to withdraw this money. A bank should generally follow the instructions of its customers unless there's good reason for it not to. HSBC says before allowing a customer to withdraw cash over the counter an employee must ensure that they've identified a customer satisfactorily. It has a policy to help with this process. This policy says the customer must provide a signature, which must be signed in front of the employee. That signature must then be compared to the sample signature held by the bank on its records. It's only when the payment exceeds a certain amount, and the customer isn't

known to the employee, that photographic identification must be presented to continue with the transaction.

Mr S believes HSBC was wrong in not asking him to produce identification. But because his withdrawals didn't exceed the relevant amount identification wasn't required in line with HSBC's policy. From having seen Mr S' sample signature from HSBC's records I'm satisfied the counter withdrawal forms are endorsed with his signature.

In any event, if the customer is known, it's HSBC's policy not to require identification from them. The bank said Mr S was known to staff because of his transactions there the previous week. And I also understand from HSBC that Mr S nearly always visits the branch in question so I think it reasonable that he'd be known to staff there. Where that's the case, I think it's fair that HSBC didn't feel it was necessary to identify Mr S any further as it knew who he was – which is ultimately the purpose of any further identity checks HSBC would do.

Security checks are put in place by banks to stop third parties accessing accounts but that hasn't happened here because there's no dispute that it was Mr S who attended the branch to withdraw his money. And I understand that HSBC asked Mr S a security question, which he answered correctly. So I'm satisfied that HSBC followed its policy properly and that the employees who served Mr S believed they'd identified him satisfactorily before they authorised the withdrawals he'd requested. Mr S may disagree with that policy, but we're not the regulator of banks and building societies. So, we can't comment on whether a business' policy is right or tell it that its policy should be changed. I'm satisfied it acted fairly here though.

HSBC hadn't been made aware of any issues with Mr S' management of his account. It can't be seen from Mr S' bank statements that he was using the money in his account to gamble. I've seen a pattern of money being paid into Mr S' account and then being quickly withdrawn. But HSBC couldn't have known how Mr S was using the money he was withdrawing unless it had been told. There were funds available to cover each withdrawal. And taking everything into account, I don't think there was any reason for HSBC to refuse Mr S' access to the money he wanted to withdraw.

I understand why Mr S' parents went to such efforts to try to restrict Mr S' access to his money and I have sympathy for the situation they found themselves in. I think they were just trying their best to help Mr S. But my role here is to look at this complaint impartially and while I've had regard for all Mr S's parents have said on his behalf, I also have to be fair to HSBC too.

With that in mind, I can't see there was any reason that HSBC should've acted differently here. It wasn't on notice of the situation underlying the withdrawals and I don't think it could have known about this from the conduct of the account alone. And even when HSBC asked how Mr S was intending to use the money he'd withdrawn here, it says he gave it valid reasons for the withdrawals. It follows that it wouldn't be fair or reasonable for me to require it to refund these withdrawals.

So, for the reasons given I'm satisfied that HSBC acted fairly and reasonably and I'm not going to be asking it to do anything more.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before **7 March 2019**.

Julie Robertson
ombudsman