

complaint

Mr S complains that HSBC UK Bank Plc closed his account and placed a CIFAS marker against his name, as a result of which he can't open another bank account. CIFAS is a fraud alert service. Mr S has been assisted in bringing this complaint by his mother.

background

Mr S had a current account with HSBC. On 29 May 2018 a payment of £2,900 was made into his account. That money was withdrawn over the following two days. Two cash machine withdrawals were made in the early hours of 30 May and a further withdrawal – the largest – was made on the afternoon of 1 June 2018.

HSBC was contacted by another bank, saying that the payment to Mr S's account had been fraudulent; it was the result of a scam. It suspended Mr S's account before closing it and recording a CIFAS marker against his name.

Mr S said that he knew nothing about the payment to his account or the withdrawals from it. He didn't think it was fair that HSBC had placed the CIFAS marker against his name.

Mr S explained that he had been to a party on the evening of 29 May with a work colleague, whom he didn't know particularly well. He left at about 2am on 30 May. The next day he realised he didn't have his jacket with him; his wallet, containing his bank card, had been in the pocket. He managed to track down his colleague, however, who returned the jacket the following morning, 31 May. Mr S says his PIN was kept in his wallet with the card.

HSBC didn't agree that it should remove the CIFAS marker, and Mr S referred the matter to this service. One of our investigators considered it, but didn't think HSBC had acted incorrectly. Mr S didn't accept the investigator's view and asked that an ombudsman review the case.

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, however, I've reached the same overall conclusion as the investigator did, and for similar reasons.

I think it most likely that the fraudulent payment to Mr S's account and the withdrawals that he says he doesn't recognise are connected. That is, whoever arranged the payment must have known that they or an accomplice would be able to withdraw the money as well.

The payment to Mr S's account was credited at around 7.30pm on 29 May. Mr S says he mislaid his bank card at a party later that same evening. He can't have known that would happen though – and whoever arranged the payment earlier in the day certainly can't have done. But withdrawals were made using the card at around 2am the following morning.

Mr S says too that his card was returned to him on the morning of 31 May; he's unsure of the exact time, as he says his colleague left his jacket in the porch of his house. I note however that the final withdrawal from Mr S's account was made the following day; so either Mr S is mistaken about when his jacket was returned, or he was involved in the withdrawals. In any event, I think it's unlikely that a fraudster who had Mr S's card and knew his PIN (and had already accessed his account) would have returned the card to him.

I've considered very carefully what Mr S has said about what happened and how much he knew about the payment to his account and the withdrawals from it. I'm afraid however that I don't find his account of events at all convincing. I think it much more likely that he knew rather more about them than he has told HSBC or this service. In the circumstances, I think it was reasonable for HSBC to act in the way it did.

my final decision

My final decision is that I don't require HSBC UK Bank Plc to do anything further to resolve Mr S's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 April 2020.

Michael Ingram
ombudsman