

## **The complaint**

Mr M is unhappy that HSBC UK Bank Plc withheld a declined transaction for five working days.

## **What happened**

Mr M made a payment of £3,500 to a merchant. HSBC authorised the payment, but the merchant didn't claim the payment or cancel the transaction.

This meant that HSBC had to withhold the £3,500 as pending for five working days, until the transaction had effectively 'timed out'. Mr M wasn't happy about this and wanted HSBC to have released his money to him sooner. So, he raised a complaint.

HSBC responded to Mr M and explained what had happened and reiterated their position. Mr M wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel HSBC had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr M remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Having done so, I note that Mr M has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr M for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr M notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr M and HSBC. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

I can appreciate that Mr M is unhappy that the £3,500 in question was withheld by HSBC for five working days, and I don't dispute that this would have been frustrating and inconvenient for Mr M. However, I don't feel that it was unfair.

I say this because I'm satisfied that the explanation that HSBC provided to Mr M as to why they'd had to withhold the money for five-working days was correct. And I'm therefore satisfied that the fact that Mr M's money was held as pending for five working days by HSBC was an unfortunate but necessary consequence of the merchant neither claiming nor cancelling the payment in question.

Mr M is unhappy that when he questioned why his money was being withheld, he was asked to search for the relevant rules and guidance himself. But HSBC were acting in accordance with rules and guidance pertaining to the card provider – the company whose logo is on his credit card. And given that the card provider is a company separate to HSBC, it seems reasonable that HSBC would ask Mr M to search for the relevant information at a more appropriate source. And I don't feel it's unfair or unreasonable that HSBC weren't able to directly provide Mr M with a copy of the third-party rules which were influencing their actions.

Mr M notes that when he searched for the relevant rules and guidance, he found information which included that, *"generally, when a transaction is declined, the funds should be released back to the customer's account promptly, usually within a few business days"*. And Mr M notes that this didn't happen in this instance, and that this is the basis of his complaint.

Notably however, the paragraph that Mr M has quoted here continues as follows: *"The exact timeline may vary depending on the specific circumstances, the payment processor, and the card issuer involved"*. And, as explained, I'm satisfied that in this instance, HSBC did only withhold Mr M's money for as long as was necessary, and no longer.

All of which means that I don't feel that HSBC have acted unfairly towards Mr M as he feels is the case here. And it follows from this that I won't be upholding this complaint or instructing HSBC to take any further or alternative action. I realise this won't be the outcome Mr M was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 January 2024.

Paul Cooper  
**Ombudsman**