

The complaint

Mr P and Ms P complain that HSBC UK Bank Plc didn't action Mr P's request to cancel a standing order.

What happened

Mr P and Ms P hold a joint bank account. Mr P tried to cancel a standing order that was in place to transfer money from the joint account to another account he held. The standing order wasn't cancelled. HSBC says Mr P made the request to cancel too late as the payment was due to be made. As there were insufficient funds in the joint account, the standing order was returned unpaid. Mr P was concerned about the impact this would have on his credit file, especially as Mr P and Ms P are separating.

He contacted HSBC via its live chat facility, but the conversation did not help. The bank's advisor didn't understand Mr P's questions and provided him with incorrect information. As a result, Mr P made a complaint. HSBC offered £30 compensation for the poor service it provided to Mr P on its live chat facility, which Mr P said didn't go far enough. He pointed out that the bank had ignored his emails and this matter was causing him a lot of stress. He was particularly worried about the future impact it could have as both Mr P and Ms P will potentially be applying for new mortgages at some point in the near future.

Mr P referred the complaint to this service. He wanted the bank to provide written confirmation that the returned payment would not impact his credit file, as well as providing appropriate compensation for the stress of the mistakes made on the live chat and the added stress of being ignored by the bank.

HSBC told us it would be willing to increase its offer of compensation by a further £70 to bring the total to £100. Our Adjudicator asked Ms P to join in with the complaint. Once she was added on, he considered the matter. He agreed that Mr P had tried to cancel the disputed standing order too late, but was satisfied that the standing order not going through would not impact Mr P or Ms P's credit file. He confirmed the bank had agreed to remove any adverse data if anything had been reported. He accepted the bank's service could have been better but thought the increased offer of compensation was fair overall.

Ms P agreed to the proposed outcome. She said this was a joint account matter which affected both parties so the compensation should be paid into the joint bank account.

Mr P didn't agree this was a joint complaint. He said only he had received the poor service which resulted in the complaint being made.

My further investigation

When the complaint was referred to me, I contacted both Mr P and Ms P.

I explained our general position is that we aren't able to start investigating a complaint unless all of the consumers who could be impacted have given their agreement for us to look into things. I said it was possible we wouldn't have been able to look at the case at all if Ms P

hadn't agreed to be a party to it. This is because the events complained about relate to the operation of a joint account and some of those concerns could have had an impact on what is reported to credit reference agencies about the joint account for both joint account holders.

I acknowledged Mr P's position that he actually received the poor service, so he considers there has been a greater impact to him.

I acknowledged Ms P's position that this was a joint account matter which affected both parties so the compensation should be paid into the joint bank account.

I suggested that both parties broadly agreed with how our Adjudicator had approached the underlying complaint, and that the outstanding matter was about the practicalities around the payment. I explained that compensation is usually paid to joint account holders together rather than apportioned to each account holder separately. I explained that the matter as to the ownership of those funds going forwards is something that is outside the ambit of this service.

Ms P responded to say that her position remains that they were both jointly impacted by the issues raised as they happened when they were still cohabiting. She felt any compensation should be paid into the joint account where it can be divided equally and wanted to be notified when the compensation was paid.

Mr P did not respond.

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 consider HSBC's offer to be fair and reasonable in all the circumstances here.

Mr P needed to cancel the standing order the working day before the payment was due to be made. The bank has provided technical evidence from its systems to show that Mr P tried to cancel it first thing in the morning on the day it was due, which was unfortunately too late.

Mr P was concerned that the payment being returned unpaid would have implications for his credit file, a worry that was made worse because Mr P and Ms P are separating. I agree that HSBC's service fell short when Mr P followed this matter up. I can see why he wanted to take steps to ensure it would not cause a bigger problem later down the line when he or Ms P may wish to apply for new financial products.

But a lot of the stress and worry Mr P has described is as a result of the change to Mr P and Ms P's personal circumstances rather than as a direct result of HSBC's actions. For this reason, I consider that HSBC's confirmation that the returned payments have not adversely impacted Mr P or Ms P's credit file and its offer of £100 compensation to be fair.

I note that neither Mr P nor Ms P have disagreed with the compensation offered by or of itself. The issue is that Mr P and Ms P have not been able to reach an agreement as to how the compensation HSBC has offered should be apportioned between them. Mr P considers that the compensation should be due to him because the issue directly happened to him, and he's had to do all of the running to follow it up. Ms P feels they were jointly impacted by the issues raised as they happened when they were still cohabiting.

The compensation payment has been offered to the joint account. Account holders jointly own all of the money in the account. I am not able to say how that money should be divided between the two parties. Compensation is usually paid to joint account holders together rather than apportioned to each account holder separately. As such, I don't consider it to be unfair or unreasonable for HSBC to pay the compensation payment directly into the joint account.

It's not our place to interfere in disputes between joint customers of a financial business, or to take sides between them. So it would be quite improper for me to delve further into this, and make a finding about who is entitled to the compensation one way or the other.

If Mr P and Ms P are unable to reach an informal agreement between themselves as to what to do with the money, it's possible that it can be considered and addressed as part of a divorce settlement. The matter as to the ownership of those funds going forwards is something that is outside of the ambit of this service.

Ms P has asked to be notified when the compensation is paid. But the compensation would be paid by HSBC directly, not the Financial Ombudsman Service. Under the rules of this service, Mr P and Ms P have to confirm by the date below whether they accept or reject my decision. If they accept the decision by the deadline, HSBC has to do what I've said. If Mr P and Ms P do not accept my decision, it will not be binding on HSBC.

Having taken everything into account, I think HSBC's confirmation that it will remove any adverse information connected to this returned payment and its offer to pay £100 compensation is a fair way to resolve the complaint that has been made about the returned standing order payment.

My final decision

My final decision is that HSBC UK Bank Plc should pay Mr P and Ms P £100 compensation if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Ms P to accept or reject my decision before 31 January 2024.

Claire Marsh
Ombudsman