

The complaint

Miss G complains that HSBC UK Bank Plc won't refund two payments made from her account, which she says she didn't make.

What happened

In June 2022, two payments for £600 and then £100 were made out of Miss G's HSBC account. The payments were made using HSBC's telephone banking service, but Miss G says it wasn't her who made the payments. Miss G says she only found out about the payments when she received a notification in her mobile banking app about them. She then reported the payments to HSBC as fraud and asked it to refund the money she had lost.

HSBC investigated but said the voice of the person who made the payments over the phone matched Miss G's voice when she reported the payments as fraud. It also said the person making the payments knew Miss G's telephone banking security number. So it thought she had either made the payments herself or allowed someone else to do so, and so it didn't agree to refund the payments. Miss G wasn't satisfied with HSBC's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They couldn't see how anyone else apart from Miss G could have made the payments, as she'd said no-one else knew her telephone banking security number. So they didn't think it would be fair to ask HSBC to refund the payments. Miss G disagreed with our investigator, so the complaint has been passed to me.

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.

Generally, a business can hold a customer liable for disputed transactions on their account if the evidence suggests it's more likely than not that the customer made the payments themselves, or told someone else they could make them.

The payments were made through HSBC's telephone banking system, using Miss G's telephone banking details. But this, on its own, isn't enough to allow HSBC to hold Miss G responsible. So I also need to think about whether the evidence suggests it's more likely than not that Miss G consented to the payments.

I've thought very carefully about this and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is likely to have happened, based on the evidence I do have.

HSBC's evidence shows that the person who called its telephone banking system and made the payments successfully went through its identity verification process. And it's said this process would've included being asked to enter Miss G's sort code and account number, her date of birth, and specific digits from her telephone banking security number.

Miss G has said she's never told anyone else her telephone banking security number, and knows it off by heart so has never written it down anywhere. But, if this is the case, I can't see how anyone other than Miss G would have been able to make the payments. In order for someone else to have made the payments, they would have needed to correctly guess the specific digits from her telephone banking security number – which I think is unlikely.

The nature of these payments is also not the sort of thing I'd typically expect an opportunistic thief to do after gaining access to someone's account. Generally, the way fraudsters operate is to get as much money as quickly as possible in order to avoid the source of the money being cut-off or them being detected. But here, only two payments are attempted. So I don't think it's likely these payments were done by an opportunistic thief.

I appreciate how Miss G feels about this case, but I'm afraid the evidence isn't in her favour. I don't think the evidence suggests these payments were made by an unknown third-party. And, based on the evidence I have and in the absence of any other likely explanation, I think it's likely she either made the payments herself or allowed someone else to do so.

So I don't think HSBC needs to refund the payments to her.

My final decision

I don't uphold Miss G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 21 September 2023.

Alan Millward
Ombudsman